



AUBURN HILLS MEETING SCHEDULE

248-370-9402 | WWW.AUBURNHILLS.ORG

JUNE 2026

DAY	TITLE	TIME	LOCATION
1	City Council Meeting	7:00 PM	Council Chamber 1827 N. Squirrel Road
3	Planning Commission	6:00 PM	Administrative Conference Room 1827 N. Squirrel Road
8	City Council Workshop	5:30 PM	Public Safety Community Room 1899 N. Squirrel Road
8	Library Board	7:00 PM	Auburn Hills Public Library 3400 Seyburn Drive
9	Tax Increment Finance Authority	5:30 PM	Administrative Conference Room 1827 N. Squirrel Road
10	Pension Board	3:00 PM	Administrative Conference Room 1827 N. Squirrel Road
10	Retiree Health Care	Immediately following the Pension Board meeting	Administrative Conference Room 1827 N. Squirrel Road
11	Zoning Board of Appeals	6:30 PM	CANCELLED
15	City Council Meeting	7:00 PM	Council Chamber 1827 N. Squirrel Road
16	Brownfield Redevelopment Authority	6:00 PM	Administrative Conference Room 1827 N. Squirrel Road
22	Downtown Development Authority	5:30 PM	Auburn Hills Chamber of Commerce Office 3395A Auburn Road

NOTE: Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the City Clerk's Office at 248.370.9402 48 hours prior to the meeting. Staff will be pleased to make the necessary arrangements. PLEASE BE ADVISED, DUE TO A LACK OF AGENDA ITEMS, SOME MEETINGS MAY BE CANCELED.



AUBURN HILLS MEETING SCHEDULE

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JULY 2026

DAY	TITLE	TIME	LOCATION
6	City Council Meeting	7:00 PM	Council Chamber 1827 N. Squirrel Road
8	Planning Commission	6:00 PM	Council Chamber 1827 N. Squirrel Road
9	Zoning Board of Appeals	6:30 PM	Council Chamber 1827 N. Squirrel Road
13	Downtown Development Authority	5:30 PM	Administrative Conference Room 1827 N. Squirrel Road
13	Library Board	7:00 PM	Auburn Hills Public Library 3400 Seyburn Drive
14	Tax Increment Finance Authority	5:30 PM	Administrative Conference Room 1827 N. Squirrel Road
20	City Council Meeting	7:00 PM	Council Chamber 1827 N. Squirrel Road
21	Board of Review	11:00 AM	Administrative Conference Room 1827 N. Squirrel Road
21	Brownfield Redevelopment Authority	6:00 PM	Administrative Conference Room 1827 N. Squirrel Road
7/25 – 8/2	Early Voting	8:30 AM – 4:30 PM	Public Safety Building 1899 N. Squirrel Road

NOTE: Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the City Clerk's Office at 248.370.9402 48 hours prior to the meeting. Staff will be pleased to make the necessary arrangements. PLEASE BE ADVISED, DUE TO A LACK OF AGENDA ITEMS, SOME MEETINGS MAY BE CANCELED.



CITY OF AUBURN HILLS

MONDAY, JUNE 1, 2026

Regular City Council Meeting ♦ 7:00 PM

Council Chamber, 1827 N. Squirrel Road, Auburn Hills MI

248-370-9402 ♦ www.auburnhills.org

1. **MEETING CALLED TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL OF COUNCIL**
4. **APPROVAL OF MINUTES**
 - 4a. City Council Special Meeting Minutes, May 14, 2026
 - 4b. City Council Regular Meeting Minutes, May 18, 2026
5. **APPOINTMENTS AND PRESENTATIONS**
 - 5a. Audit Presentation by Yeo and Yeo
 - 5b. Motion - To receive and accept the 2025 Financial Statements with Supplemental Information and the Governance Letter.
6. **PUBLIC COMMENT**
7. **CONSENT AGENDA**

All items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

 - 7a. Board and Commission Minutes
 - 7a1. Public Safety Advisory Committee, May 26, 2026
 - 7b. Motion – To approve Axon Enterprise, Inc. contract renewal for TASER 7 Devices.
 - 7c. Motion – To approve the purchase of Police Department Office Furniture and Workstations.
 - 7d. Motion – To approve the purchase of Traffic Management Software.
 - 7e. Motion – To approve the purchase of In-Building Speakers for Station 1 & 3.
 - 7f. Motion – To approve a budget amendment for the Riverwalk Pathway Project.
 - 7g. Motion – To receive and file the 2025 Retirement System Annual Report.
 - 7h. Motion – To approve a Cost Participation Agreement for Baldwin Road Concrete and Curb Repairs.
 - 7i. Motion – To award construction contract to Pamar Enterprises and construction services to OHM Advisors for the Parkways Water Main Replacement Project.
 - 7j. Motion – To increase retiree health care appropriations of the General Fund departments, Major and Local Road Fund, Water and Sewer Fund, and the Fleet Fund.
8. **UNFINISHED BUSINESS**
9. **NEW BUSINESS**
10. **COMMENTS AND MOTIONS FROM COUNCIL**
11. **CITY ATTORNEY REPORT**
12. **CITY MANAGER REPORT**
13. **ADJOURNMENT**

City Council meeting minutes are on file in the City Clerk's Office. NOTE: Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the City Clerk's Office at 248.370.9402 or the City Manager's Office at 248.370.9440 48 hours prior to the meeting. Staff will be pleased to make the necessary arrangements.



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 4A

CITY COUNCIL



CITY OF AUBURN HILLS SPECIAL CITY COUNCIL MEETING **DRAFT** MINUTES

MAY 14, 2026

CALL TO ORDER & Mayor Hawkins at 4:00 PM.

PLEDGE OF ALLEGIANCE:

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

ROLL CALL: Present: Council Members Ferguson, Fletcher, Hawkins, Knight, Marzolf, and Moniz
Absent: Council Member Verbeke
Also Present: City Manager Tanghe, Assistant City Manager Skopek, City Attorney Kelly, City Clerk Pierce, Chief of Police Gagnon, Fire Chief Robinson, Asst to the Manager Hagge

1 Guest

4. PUBLIC COMMENT

There was no public comment.

5. NEW BUSINESS

5a. Motion – To adopt the Resolution Ratifying and Consenting to Continuation of Local State of Emergency Declared by the Mayor.

Mr. Tanghe explained that as a result of a regional water main break impacting several area communities, the Mayor declared a Local State of Emergency pursuant to the Emergency Management Act, 1976 PA 390. This declaration expires within seven days. With the declaration expiring on Saturday, City Council must take action to continue the Local State of Emergency declared by Mayor.

Moved by Ferguson, Seconded by Moniz.

RESOLVED: To adopt the Resolution Ratifying and Consenting to Continuation of Local State of Emergency Declared by the Mayor Pursuant to the Emergency Management Act, 1976 PA 390, MCL 30.401 ET SEQ. (Attachment A)

VOTE: Yes: Ferguson, Fletcher, Hawkins, Knight, Marzolf, Moniz

No: None

Resolution No. 26.05.074

Motion Carried (6 - 0)

6. ADJOURNMENT

Moved by Knight, Seconded by Ferguson.

RESOLVED: To adjourn the meeting.

VOTE: Yes: Ferguson, Fletcher, Hawkins, Knight, Marzolf, Moniz

No: None

Resolution No. 26.05.075

Motion Carried (6 - 0)

The meeting adjourned at 4:06 PM.

ATTACHMENT A

CITY OF AUBURN HILLS STATE OF MICHIGAN

RESOLUTION RATIFYING AND CONSENTING TO CONTINUATION OF LOCAL STATE OF EMERGENCY DECLARED BY THE MAYOR PURSUANT TO THE EMERGENCY MANAGEMENT ACT, 1976 PA 390, MCL 30.401 *ET SEQ.*

At a special meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills, Michigan 48326, at 4:00 p.m. on the 14th day of May, 2026, the following resolution was offered by Councilperson Ferguson and seconded by Councilperson Moniz:

WHEREAS, the City of Auburn Hills is a Michigan municipal corporation located in Oakland County, Michigan; and

WHEREAS, under MCL 30.410(1)(b), a municipality may declare a local state of emergency if circumstances within the municipality indicate that the occurrence or threat of widespread or severe damage, injury, or loss of life or property from a natural or human-made cause exists; and

WHEREAS, under MCL 30.410(1)(b), the power to declare a local state of emergency is vested in the chief executive official of the municipality or the official designated by charter, and such declaration may not be continued or renewed for a period in excess of seven days except with the consent of the governing body of the municipality; and

WHEREAS, Great Lakes Water Authority is the regional supplier of municipal water to the City of Auburn Hills and surrounding communities; and

WHEREAS, early in the week of May 3, 2026, a 42-inch water transmission line located within the City's River Woods Park was observed leaking; and

WHEREAS, in the early morning hours of May 10, 2026, the water main burst, causing excessive flooding in the area of the break and requiring personnel from multiple agencies, including the City of Auburn Hills, to respond; and

WHEREAS, the water main at issue supplies multiple communities, and the break has created significant impacts and potential impacts to the City of Auburn Hills, including limited water supply, potential

water service interruption, emergency response needs, public health and safety concerns, and possible business interruption; and

WHEREAS, the City has been working with Great Lakes Water Authority, Oakland County, neighboring communities, and other impacted stakeholders to respond to the water main failure, protect public health, safety, and welfare, and address the needs of residents, businesses, and at-risk populations; and

WHEREAS, on May 10, 2026, Mayor Eugene Hawkins III, as the chief executive official of the City, issued a written declaration of local state of emergency pursuant to the Emergency Management Act, 1976 PA 390, based on the circumstances arising from the water main failure; and

WHEREAS, the City Council finds that the circumstances described in the Mayor’s May 10, 2026, declaration constitute the occurrence or threat of widespread or severe damage, injury, or loss of life or property from a natural or human-made cause within the meaning of MCL 30.410(1)(b); and

WHEREAS, the City Council further finds that continued emergency measures may be necessary to protect the health, safety, and welfare of the public, coordinate local multi-agency response, obtain and distribute equipment, materials, and supplies, provide emergency assistance, make contracts, expend funds for disaster purposes, and take other actions authorized by law; and

WHEREAS, the City Council desires to ratify the May 10, 2026, declaration of local state of emergency and consent to its continuation beyond seven days, as authorized by MCL 30.410(1)(b).

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby ratifies and confirms the May 10, 2026, declaration of local state of emergency issued by Mayor Eugene Hawkins III pursuant to the Emergency Management Act, 1976 PA 390, MCL 30.401 et seq., including MCL 30.410(1)(b).

BE IT FURTHER RESOLVED that the City Council consents to the continuation of the local state of emergency beyond seven days from the date of the Mayor’s declaration, as authorized by MCL 30.410(1)(b).

BE IT FURTHER RESOLVED that the local state of emergency shall remain in effect until the emergency conditions have ended, the declaration is terminated by the Mayor, the City Council rescinds or modifies this Resolution, or the declaration otherwise expires under applicable law, whichever occurs first.

BE IT FURTHER RESOLVED that during the local state of emergency, the Mayor, City Manager, Department Directors, and other appropriate City officials and personnel are authorized, consistent with applicable law and City policies, to take actions necessary or appropriate to respond to the emergency, including but not limited to coordinating local multi-agency response, protecting the health and safety of persons and

property, providing emergency assistance, obtaining and distributing equipment, materials, and supplies, making necessary contracts, and expending funds for emergency and disaster-related purposes.

BE IT FURTHER RESOLVED that the City Council authorizes and directs City officials to continue coordinating with Great Lakes Water Authority, Oakland County, neighboring communities, state and federal agencies, and other public or private entities as necessary to respond to, mitigate, and recover from the emergency.

BE IT FURTHER RESOLVED that, to the extent not already completed, the City Clerk, or other appropriate City official is authorized and directed to file or transmit the declaration of local state of emergency, this Resolution, and any related documentation to the Michigan State Police Emergency Management Department and any other appropriate governmental agency.

BE IT FURTHER RESOLVED that all resolutions and parts of resolutions, to the extent of any conflict with this Resolution, are hereby superseded for the duration of the local state of emergency.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon adoption.

AYES: 6 (Ferguson, Fletcher, Hawkins, Knight, Marzolf, Moniz)

NAYES: None

ABSENT: 1 (Verbeke)

ABSTENTIONS: None

THE RESOLUTION WAS THEREUPON DECLARED ADOPTED.

CERTIFICATION

STATE OF MICHIGAN)

)ss

COUNTY OF OAKLAND)

I, Laura M. Pierce, the duly qualified and appointed City Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted at a regular meeting of the Auburn Hills City Council held on the 14th day of May, 2026, the original of which is on file in my office.

In witness whereof, I have hereunto affixed my official signature on this 14th day of May, 2026.

Laura M. Pierce, City Clerk



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 4B

CITY COUNCIL



CITY OF AUBURN HILLS REGULAR CITY COUNCIL MEETING **DRAFT** MINUTES

MAY 18, 2026

CALL TO ORDER & Mayor Hawkins at 7:00 PM.

PLEDGE OF ALLEGIANCE:

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

ROLL CALL: Present: Council Members Ferguson, Fletcher, Hawkins, Knight, Marzolf, Moniz, and Verbeke

Absent: None

Also Present: City Manager Tanghe, Assistant City Manager Skopek, City Attorney Kelly, Deputy Clerk Klassen, Police Chief Gagon, Fire Chief Robinson, PGA General Mgr at Fieldstone Golf Club Hierlihy, Finance Director Schulz, Accountant Moss, Department of Public Works Director Baldante, Mgr of Public Utilities Deman, Dir of Community Development Cohen, Asst to the Manager Hagge, Engineer Driesenga

45 Guests

4. APPROVAL OF MINUTES

4a. City Council Workshop Minutes, May 4, 2026

Moved by Knight, Seconded by Moniz

RESOLVED: To approve the City Council Workshop Minutes of May 4, 2026.

VOTE: Yes: Ferguson, Fletcher, Hawkins, Knight, Marzolf, Moniz, Verbeke

No: None

Resolution No. 26.05.076

Motion Carried (7 - 0)

4b. City Council Regular Meeting Minutes, May 4, 2026

Moved by Knight, Seconded by Moniz

RESOLVED: To approve the City Council Regular Meeting Minutes of May 4, 2026.

VOTE: Yes: Ferguson, Fletcher, Hawkins, Knight, Marzolf, Moniz, Verbeke

No: None

Resolution No. 26.05.077

Motion Carried (7 - 0)

5. APPOINTMENTS AND PRESENTATIONS

5a. Administration of oath to Firefighter/Paramedic Alixandra Swett and Zachary Dill.

Chief Robinson introduced Alixandra Swett and Zachary Dill as new Firefighters/Paramedics for the City of Auburn Hills.

5b. Promotion of Alan Lee to the rank of Fire Inspector.

Chief Robinson recognized the promotion of Alan Lee to the rank of Fire Inspector.

5c. Motion – To appoint Marie Collias as City Assessor.

Mr. Tanghe recognized Marie Collias for her 15 years of service to the city and her MMACI State of Michigan designation. He recommended her appointment as City Assessor effective June 1, 2026.

Moved by Fletcher, Seconded by Verbeke

RESOLVED: To appoint Marie Collias as City Assessor with an effective date of June 1, 2026.

VOTE: Yes: Ferguson, Fletcher, Hawkins, Knight, Marzolf, Moniz, Verbeke

No: None

Resolution No. 26.05.078

Motion Carried (7 - 0)

6. PUBLIC COMMENT

There was no public comment.

7. CONSENT AGENDA

7a. Motion – To receive & accept the City’s financial update for the period ending April 30, 2026.

RESOLVED: To receive and accept the City’s financial update for the period ending April 30, 2026, as presented.

7b. Motion – To amend the 2026 Budget increasing revenues of the Major Street Fund and Local Street Fund and increasing expenditures of the General Fund Street Improvement Department.

RESOLVED: To amend the Major Streets Fund revenue with an increase of \$275,000; the Local Streets Fund revenue with an increase of \$1,763,817.22; and the General Fund’s Street Improvement department appropriations with an increase of \$1,000,000.

7c. Motion – To award the 2026 - 2028 Fieldstone Golf Club Luxury Restroom Trailer Rental to PEKLO Portables LLC.

RESOLVED: To award the 2026 - 2028 Fieldstone Golf Club Luxury Restroom Trailer Rental to PEKLO Portables LLC in an amount not-to-exceed \$130,379.16. PEKLO Portables LLC was the selected vendor due to the unresponsiveness of the low bidder despite multiple attempts by staff to schedule meetings, discuss the submitted proposal, and obtain additional required information. Furthermore, authorize the City Manager to convey acceptance by purchase order.

7d. Motion – To approve the purchase of two Chevrolet Tahoe PPVs.

RESOLVED: To approve the purchase of two (2) Chevrolet Tahoe PPVs listed above for \$119,072.00 from LaFontaine Automotive Group of China Township, MI under the MiDEAL contract #240000001210.

Moved by Fletcher, Seconded by Marzolf

RESOLVED: To approve the Consent Agenda.

VOTE: Yes: Ferguson, Fletcher, Hawkins, Knight, Marzolf, Moniz, Verbeke

No: None

Resolution No. 26.05.079

Motion Carried (7 - 0)

8. UNFINISHED BUSINESS

9. NEW BUSINESS

10. COMMENTS AND MOTIONS FROM COUNCIL

City Council Members thanked the DPW staff for their excellent work with resolving the water main break in a manner that was informative and professional.

Mr. Knight reported on the new pathway that is taking place on Old Adams Road. He also mentioned the Memorial Day Program that will take place on Memorial Day.

Dr. Fletcher reported on the new traffic light that has been installed at N. Squirrel and Shimmons Roads.

11. CITY ATTORNEY REPORT

12. CITY MANAGER REPORT

Mr. Tanghe thanked Steve Baldante for the excellent work that was performed during the water main crisis. He also commented on the support that Stellantis gave in showing corporate responsibility in closing down their buildings during the water main crisis so that the water levels could be maintained for the neighboring communities north of where the water main break took place.

13. CLOSED SESSION

13a. Motion – To meet in closed session to discuss a confidential legal opinion under MCL 15.268(1)(h) of the Open Meetings Act.

Moved by Ferguson, Seconded by Moniz

RESOLVED: To meet in closed session to discuss a confidential legal opinion under MCL 15.268(1)(h) of the Open Meetings Act.

VOTE: Yes: Ferguson, Fletcher, Hawkins, Knight, Marzolf, Moniz, Verbeke

No: None

Resolution No. 26.05.080

Motion Carried (7 - 0)

The meeting recessed to closed session at 7:40 PM

The meeting reconvened in open session at 8:30 PM

14. ADJOURNMENT

Moved by Ferguson, Seconded by Moniz

RESOLVED: To adjourn the meeting.

VOTE: Yes: Ferguson, Fletcher, Hawkins, Knight, Marzolf, Moniz, Verbeke

No: None

Resolution No. 26.05.081

Motion Carried (7 - 0)

The meeting adjourned at 8:31 PM.

Eugene Hawkins III, Mayor

Kristine M. Klassen, Deputy Clerk



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 5B

FINANCE/TREASURER

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Michelle Schulz, Finance Director
Submitted: May 21, 2026
Subject: Motion – Receive and accept the 2025 Financial Statements with Supplemental Information and the Governance Letter

INTRODUCTION AND HISTORY

The City of Auburn Hills financial audit for calendar year ending December 31, 2025, has been completed by Yeo and Yeo. Yeo and Yeo representative, Michael Rolka, will be present to provide an overview of the financial statements and their audit reports.

Yeo and Yeo's independent audit opinion is Section 1 of the City's 2025 Financial Statements. The independent opinion states that the City's financial statements present fairly the financial position of all the City's financial activities and funds, and the financial statements are presented in conformity with generally accepted accounting principles (GAAP).

Mr. Rolka will also present a graphical Power Point report of major funds and summary data. Further, he will provide for a general discussion related to the governance letter.

The City's Financial Report will be filed with appropriate agencies to satisfy the annual fiscal year reporting regulations

STAFF RECOMMENDATION

The staff recommends the acceptance of the City's 2025 Financial Statements and the governance letter as presented to the City Council by Yeo and Yeo.

MOTION

Move to receive and accept the City's audited Financial Statements with supplemental information for the year ending December 31, 2025 and the related governance letter as presented by the City's independent auditors, Yeo and Yeo.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER

City of Auburn Hills

Financial Statements

December 31, 2025



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Auburn Hills
Auburn Hills, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Auburn Hills (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and the pension and OPEB schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and, other than the prior year information, was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements

or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Troy, Michigan
May 19, 2026

City of Auburn Hills, Michigan

Management's Discussion and Analysis

December 31, 2025

As management of the City of Auburn Hills, Michigan (the "City"), we offer readers this narrative overview and analysis of the financial activities for the year ended December 31, 2025.

Financial Highlights

- Utilizing the 2024 Oakland County equalization report, 2024 property tax values increased 7.8% from the year prior. 2024 property tax values drive the 2025 property tax revenues. General fund property tax revenues totaled \$25.3 million and reflected an increase over 2024 property tax revenues of approximately \$1.5 million.
- The City prepaid \$65,582 in 2025 for its assigned share of work related to the Evergreen-Farmington Sanitary Drainage District Walnut Lake Corrective Action Plan for work related to improvements to allow the uninterrupted flow from the pump station down the Evergreen Road Interceptor for total costs not to exceed \$14 million.
- \$2.4 million was invested in public safety buildings, primarily Fire/EMS buildings. An additional \$1.7 in further Fire/EMS infrastructure is planned for 2026
- The \$1.2 million investment in the City's Public Square opened Summer of 2025 for the use and enjoyment of all residents and visitors.
- Road work continues through the City. The city completed over \$11.1 million in road related projects and maintenance in 2025. In 2026, the completion of 2025 projects will continue and \$10.3 million in new work for roads and road maintenance began.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes supplemental information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The statement of net position presents financial information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., the cost of pensions and other post-employment benefits).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions, that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community and economic development, and culture and recreation. The business-type activities of the City include providing water and sewage disposal, as well as the City's golf course operations. The government-wide financial statements include not only the City itself (known as the primary government), but also eight discreetly presented component units. There are three separate Tax Increment Finance Authority (TIFA) Districts, the Brownfield Redevelopment Authority (BRA), the Economic Development Corporation (EDC), the Downtown Development Authority (DDA), the Pension Trust Fund, and the Retiree Health Care Trust Fund.

The Building Authority, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as part of the primary government.

City of Auburn Hills, Michigan
Management's Discussion and Analysis
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Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the City's funds can be divided into the following three categories:

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. The City adopts an annual appropriation budget for its General Fund and special revenue funds. A budgetary statement has been provided for the General Fund and major special revenue funds to demonstrate compliance with this budget.
- Proprietary funds - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewage disposal activities and the City's golf course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of the fleet (supporting the needs of the City's vehicle and equipment needs) and the retiree health care program (supporting the funding of retiree health care for those employees eligible for OPEB). Because both services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.
- Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary funds include both the pension and other postemployment benefit trust funds, and custodial funds.

Notes and Other Information

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also presents the required supplemental information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplemental information on pensions and OPEB.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$288,128,200 at the close of the most recent fiscal year. This is an increase of \$20 million from that of the prior year. The increase is due primarily to the addition of \$14.2 million in capital assets and a reduction in total liabilities of \$5.8 million.

City of Auburn Hills, Michigan
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December 31, 2025

City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	\$112,208,455	\$109,881,075	\$ 46,611,326	\$ 46,153,669	\$158,819,781	\$156,034,744
Capital assets	109,365,950	98,316,247	94,384,381	91,198,085	203,750,331	189,514,332
Total assets	<u>\$221,574,405</u>	<u>\$208,197,322</u>	<u>\$140,995,707</u>	<u>\$137,351,754</u>	<u>\$362,570,112</u>	<u>\$345,549,076</u>
Deferred Outflows of Resources	-	782,074	-	62,555	-	844,629
Liabilities						
Current liabilities	6,737,886	8,578,604	4,122,132	3,659,003	10,860,018	12,237,607
Noncurrent liabilities	22,814,405	27,406,982	5,724,313	5,513,150	28,538,718	32,920,132
Total liabilities	<u>\$ 29,552,291</u>	<u>\$ 35,985,586</u>	<u>\$ 9,846,445</u>	<u>\$ 9,172,153</u>	<u>\$ 39,398,736</u>	<u>\$ 45,157,739</u>
Deferred Inflows of Resources	34,981,546	32,960,217	61,630	111,475	35,043,176	33,071,692
Net Position	<u>\$157,040,568</u>	<u>\$140,033,593</u>	<u>\$131,087,632</u>	<u>\$128,130,681</u>	<u>\$288,128,200</u>	<u>\$268,164,274</u>

City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue						
Program revenue:						
Charges for services	\$ 7,536,857	\$ 8,831,268	\$ 19,254,191	\$ 18,476,368	\$ 26,791,048	\$ 27,307,636
Operating grants	8,964,180	8,470,267	280,644	34,189	9,244,824	8,504,456
Capital grants	701,112	194,167	614,005	1,625,998	1,315,117	1,820,165
General revenue:						
Taxes	26,463,193	24,014,736	-	-	26,463,193	24,014,736
Intergovernmental	5,403,895	5,180,836	-	-	5,403,895	5,180,836
Investment earnings	4,056,262	3,565,306	1,817,482	1,674,658	5,873,744	5,239,964
Gain on sale of capital assets	183,482	330,469	35,000	-	218,482	-
Other revenue	170,293	88,792	-	23,000	170,293	111,792
Total revenue	<u>53,479,274</u>	<u>50,675,841</u>	<u>22,001,322</u>	<u>21,834,213</u>	<u>75,480,596</u>	<u>72,510,054</u>
Expenses						
General government	8,571,822	8,519,676	-	-	8,571,822	8,519,676
Public safety	14,324,680	19,468,098	-	-	14,324,680	19,468,098
Public works	6,364,423	4,098,710	-	-	6,364,423	4,098,710
Health, welfare and Community development	5,674,627	680,968	-	-	5,674,627	680,968
Recreation and culture	1,277,351	1,017,118	-	-	1,277,351	1,017,118
Debt Service	261,052	300,724	-	-	261,052	300,724
Water & Sewer	-	-	16,912,127	15,119,854	16,912,127	15,119,854
Fieldstone Golf Club	-	-	2,130,588	2,005,192	2,130,588	2,005,192
Total expenses	<u>36,473,955</u>	<u>34,085,294</u>	<u>19,042,715</u>	<u>17,125,046</u>	<u>55,516,670</u>	<u>51,210,340</u>
Transfers	1,656	-	(1,656)	-	-	-
Change in net position	<u>\$ 17,006,975</u>	<u>\$ 16,590,547</u>	<u>\$ 2,956,951</u>	<u>\$ 4,709,167</u>	<u>\$ 19,963,926</u>	<u>\$ 21,299,714</u>

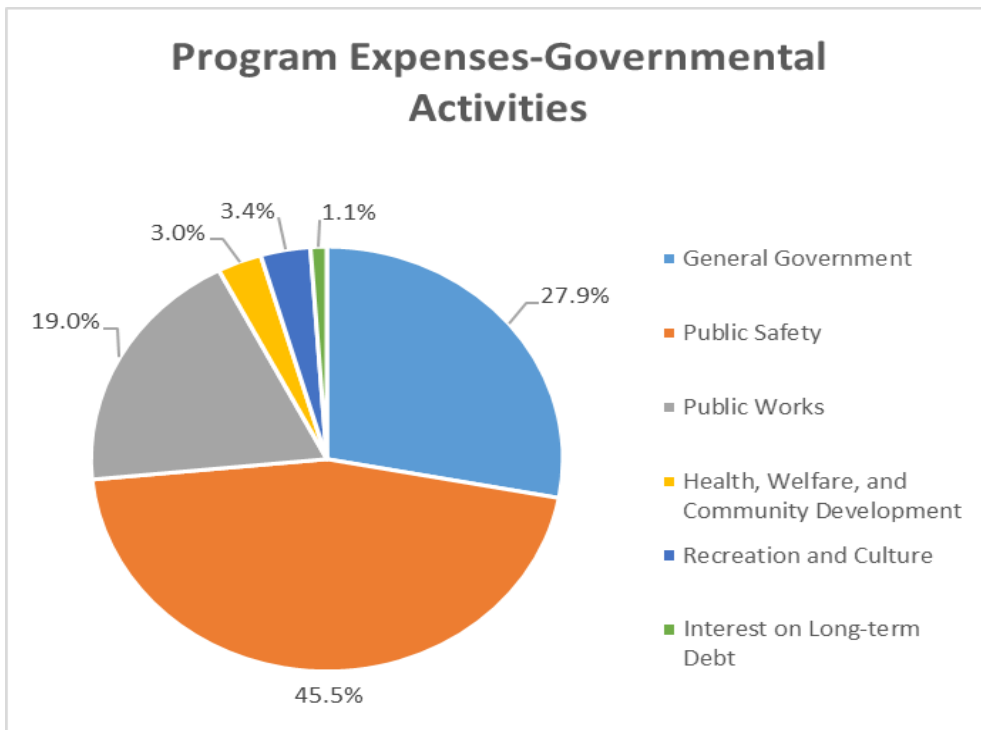
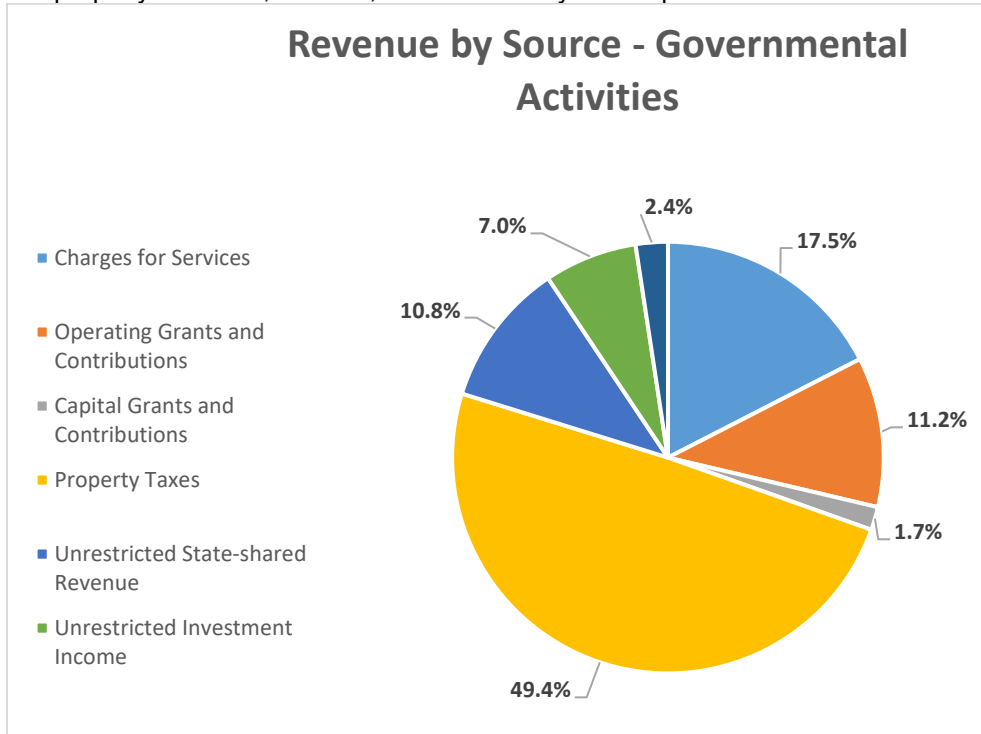
City of Auburn Hills, Michigan

Management's Discussion and Analysis

December 31, 2025

Governmental Activities

The City experienced an increase in net position of approximately \$17 million in its governmental activities during 2025. In 2024, the City experienced a similar increase in net position of \$16.6 million. In 2025, revenues increased \$2.8 million, including transfers, while expenditures increased \$2.4 million from that of the prior year. While most areas of revenue increased, property taxes were primarily responsible for the overall increase in revenue. Expenditures increased \$2.4 million in 2025 primarily due to increases in road infrastructure and maintenance. The decrease in public safety was due to reclassifying EMS cost properly in Health, Welfare, and Community Development.



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Business-Type Activities

The City experienced an increase in net position of approximately \$3 million in its business-type activities during 2025. In 2024, the City had a larger increase in net position of \$4.7 million. Revenues come primarily from charges for services and are 87.5% of total revenues. In 2025, total revenues were \$167,000 more than in 2024 due to the increase in water and sewer charges for services nearly offset by the decrease in capital contributions. Further, the water and sewer utility expense increased \$701,000 exceeding the increases passed on through charges for services. Net Golf revenues and expenses were consistent. Thus, the net effect is still resulting in an increase in net position, but a lower increase than that of the prior year.

Governmental Funds

On December 31, 2025, the City's governmental funds reported a combined fund balance of \$66.6 million, an increase of approximately \$3 million from December 31, 2024, fund balance of \$63.6 million. This change is primarily a result of an increase in the General Fund balance of \$4.8 million.

The unassigned portion of the General fund balance represents 113% of total General Fund expenditures (excluding other financing sources) for the 2025 fiscal year as compared to 87% for fiscal year ending 2024. In 2025, the City is assigning \$25.1 million of its fund balance for expected use for 2026 and beyond. Some of the larger assignments include 2027 plans for \$5 million in downtown parking initiatives and \$8.2 million for road work. All assignments, beyond the 2026 net expenditure budget plan totaling \$7.5 million, provide additional assurance that sufficient funds are recognized as budget planning resumes for 2027.

Revenue (not including other financing sources) increased \$3 million across governmental funds in 2025 over the prior year. The largest factors in this increase were due to the \$1.9 million increase in additional state funding for M-24 road improvements and to the \$1.5 million increase in property tax revenue over 2024. Expenditures (not including other financing uses) in governmental funds increased by \$7.2 million. The change was primarily due to a \$5.7 million increase in road maintenance and infrastructure expenses.

Enterprise Funds

The City's enterprise funds provide the same type of information found in the business-type activities portion of the government-wide financial statements. The enterprise funds include the Water and Sewer fund and the Fieldstone Golf Club fund. The net position in the Water and Sewer fund is \$115.8 million as of December 31, 2025, an increase of \$2.7 million from 2024. The unrestricted net position increased approximately \$500,000 from \$35.8 million in 2024 to \$36.3 million in 2025.

The City has been a member of the North Oakland County Water Authority (NOCWA) since 2015, which provides joint management of the four communities that are members of the water system. NOCWA began operations with the goal of optimizing operational efficiency and containing water service costs by which GLWA (Great Lakes Water Authority) wholesale water rates are driven with the maximum day and peak hour values agreed upon in the contract. NOCWA members demonstrated it could achieve a more favorable reduced peak hour demand than the original contract value and, therefore, amended the original contract minimizing water service cost increases. The City's participation in NOCWA has allowed it to minimize the impact of increases passed on from GLWA. The collaboration also resulted in an increase in water pressure during peak hours. Despite increases in utility service fees for some years, these efficiencies enabled the City to pass on lower increases, averaging about 1.48% per year since 2017. A net increase of 2.91% was necessary as of January 2025 to help offset water purchases and sewage treatment costs passed on to us. City expenses are compounded by continual additional costs passed from a county level for the City's share of large infrastructure repairs as well as the City's own infrastructure repair plans. In January 2026, a portion of the charges assessed to the City will result in a 2.05% net increase to the City's water and sewer users.

City of Auburn Hills, Michigan

Management's Discussion and Analysis

December 31, 2025

Water and sewer utility charges consider that the City needs to cover not only water and sewer treatment costs and unanticipated emergency repairs, but also operational departmental costs and improvements in infrastructure. Capital improvements performed by the Oakland County Water Resources Commissioner (OCWRC) with respect to the Clinton-Oakland Sanitary Disposal System (COSDS), the Evergreen-Farmington Sanitary Disposal System (EFSDS), the Oakland-Macomb Interceptor Drain (OMID), and the Clinton River Water Resources Recovery (CRWRR) sewage treatment facility, are allocated to the City. Therefore, increases in service costs assist in meeting the ongoing shared infrastructure costs passed on by these entities. The City has prepaid for the costs of several projects in the past (approximately \$6.6 million in the last eleven years providing savings to the community by minimizing debt related interest expense. The City has added debt, however, when the interest costs were lower and financing was advantageous to the City. Debt related to the City's share of these larger projects now totals just over \$5.3 million with interest rates from 1.55% to 2.5%. The City will continue to evaluate the benefit of financing and prepaying for future costs passed on to us.

The Water and Sewer fund experienced an operational gain in 2025 of \$316,346. Non-operating net revenues, including capital contributions, decreased by about \$805,000 from the prior year. This was primarily due to a decrease in developer contributions.

The water and sewer departments have remained diligent in controlling costs to maintain adequate reserves for both regular maintenance of infrastructure and any emergency, while minimizing, when possible, annual rate increases to maintain sufficient reserves for capital repairs, reconstructions, and emergency situations. The Water and Sewer fund operating expenses in 2025 were \$16.9 million. This increased \$1.8 million from the prior year.

The unrestricted net position of Fieldstone Golf Club at year-end is \$1.3 million. The Fieldstone Golf Club fund experienced an operating income of \$195,095, down \$113,967 from 2024.

General Fund Budgetary Highlights

The General Fund actual revenue exceeded budgeted revenues by \$4.6 million. This additional revenue is primarily related better than expected state shared revenue and a conservative income budget. Details can be found on the budgetary comparison schedule on page 4-1. The expenses of the General fund were under budget approximately \$4.4 million due to restrictive spending in all departments with the exception of capital improvements and debt service.

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025, is \$203.8 million (net of accumulated depreciation and related debt), an increase of approximately \$14.2 million from 2024. This increase is primarily due to the City's attention to roads, water and sewer infrastructure, improvements in amenities such as the public square and vehicle upgrades and replacements.

Long-Term Debt- The City has total debt outstanding of \$19.8 million (excluding compensated absences, subscriptions, and leases) on December 31, 2025. The debt schedule includes an addition to Business-type Activity debt related to Lease as required by the new Governmental Accounting Standard Board 87. This lease is related to the City's golf cart agreement. In 2025, The City prepaid \$65,582 for its assigned share of work related to the Evergreen-Farmington Sanitary Drainage District Walnut Lake Corrective Action Plan. The City will pay upfront for assessments passed on by different authorities when it is able, debt is incurred only when analysis proves it is financially advantageous to do so.

Economic Factors and Next Year's Budgets and Rates

The economic outlook for the City of Auburn Hills and suburban Oakland County is stable. The City experienced a 1.6% population growth rate to 26,892 in 2026 and is up 10.41% from 24,357 in 2020. The City retains a strong, though challenged, financial position particularly with rising public safety needs. Wage and medical benefit inflation and high interest rates are affecting hiring across Oakland County but forecasts indicate a recovery in 2027-2028. Due to a new federal-state "sales and motor fuel tax swap", the City is anticipating more funding from the state in 2026 for roads. Also, the city has been awarded funding of \$723,200 for stormwater infrastructure. With new developments slowing in Auburn Hills due to availability of buildable land, the City continues to encourage and pursue redevelopment opportunities to maintain and/or grow its tax base. An aging workforce, lack of specialized trade workers, and adequately trained personnel with local government-specific exposure will impact on the city over the next five years. Police and Fire personnel, as well as other professionals needed for city operations, are in high demand and short supply.

The City is optimistic about the stability of its tax base. Based on development projects currently underway or proposed to be underway, the City expects as much as \$299 million in private investment in the community over the next 24 months. An estimated \$81 million is expected to be invested in housing development and \$218 million in mixed-use and non-residential developments. Annual tax revenue is expected to steadily increase. The actual CPI for 2024 and 2025 was 3% and 2.73% respectively. 2024 CPI drives taxable values of 2025 which then impacts the 2026 budget. Thus, the 2025 CPI will impact

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the 2027 budget. Taxable values (which consider inflation, growth, and uncapping’s’ from new sales) for 2025 increased 0.89% over that of the prior year per the Oakland County Equalization report and those values drive our 2026 tax revenues. It certainly indicated a stall in the overall real estate market in response to global uncertainty. Of course, calculations are held to the limits of the Headlee Amendment and Proposal A. Further, certain exemptions and tax appeals can lower initial revenue calculations. Inflation levels (depending on the source) are expected to be approximately 3.2% in 2026 and 2.1% in 2027 thus the city can expect increases in tax revenues to moderate over the next four years.

There has been no change, other than reductions as required by the Headlee Amendment, in the City’s general operating millage (since 2005), police millage (since 2003), fire millage (since 2016), or road millage (since 2020). While modest revenue growth is expected from property taxes, personal property tax reimbursement is expected to decline over the next several years, and uncertainty of federal and state governmental support will challenge revenue growth to support rising costs. The City is asking for an additional Fire/EMS millage of 1.5 mills on the August 2026 ballot in an effort to address the rising costs of response, especially due to medical calls. Fiscal year 2026 will be the first year whereby the fire millage is no longer sufficient to fund both Fire and EMS operations. The City’s financial projections indicate that that cannot be reversed, and that this deficit will continue to grow unless an additional 1.5 mills is approved by voters in August 2026.

The current year’s budget is amended as necessary throughout the year. The next year budget is approved each October and at that time, the 2027-2030 projections will be updated as well. Below is a chart populated with information from the City’s current approved amended 2026 budget.

CITY OF AUBURN HILLS GENERAL FUND		
	2025	2026
	ACTUALS	AMENDED BUDGET
Description		(as of 4.27.2026)
PROPERTY TAXES	\$ 25,291,014.00	\$ 25,238,125.00
STATE SHARED REVENUE & REFUNDS	5,438,478.00	4,716,198.00
LICENSES AND PERMITS	1,333,471.00	849,200.00
FEDERAL/STATE GRANTS AND REFUNDS	1,302,926.00	643,398.00
CHARGES FOR SERVICES	2,644,260.00	2,217,740.00
INTEREST REVENUE	3,619,604.00	3,309,606.00
OTHER REVENUE	2,785,191.16	1,204,238.00
INTERFUND CHARGES	2,429,022.00	2,567,531.00
TRANSFERS FROM FUNDS	357,662.00	3,796,497.00
	\$ 45,201,629.00	\$ 44,542,533.00
ANNUAL EXPENDITURES LESS TRANSFERS OUT	\$ 33,456,938.00	\$ 43,173,373.46
TRANSFER TO PENSION FUND	0.00	1,000,000.00
TRANSFER TO RETIREE HEALTH	0.00	0.00
TRANSFER TO MAJOR STREETS	0.00	600,000.00
TRANSFER TO LOCAL STREETS	5,100,000.00	5,595,000.00
TRANSFER TO CI DEBT SERVICE	1,864,900.00	1,865,375.00
TOTAL EXPENDITURES	\$ 40,421,838.00	\$ 52,233,749.00
Net Revenue Under Expenditures	\$ 4,779,791.00	\$ (7,691,216.00)

City of Auburn Hills, Michigan
Management's Discussion and Analysis
December 31, 2025

Requests for Further Information

This financial report is intended to provide a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Treasurer/Finance Department at 1827 N. Squirrel Road, Auburn Hills, Michigan 48326. This report, City budgets, and other financial information are available on the City's website at www.auburnhills.org.

City of Auburn Hills
Statement of Net Position
December 31, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 82,779,773	\$ 39,218,730	\$ 121,998,503	\$ 29,889,587
Receivables				
General accounts receivable	1,608,431	-	1,608,431	-
Property taxes	18,756,990	-	18,756,990	3,895,597
Utility bills	-	2,830,270	2,830,270	-
Special assessments	730,064	-	730,064	-
Accrued interest	66,802	-	66,802	-
Leases receivable	5,844,637	-	5,844,637	102,194
Due from other units of government	3,313,288	197,636	3,510,924	2,500
Due from employees	3,864	-	3,864	-
Internal balances	(2,502,307)	2,502,307	-	-
Inventories	-	289,033	289,033	-
Prepaid items	149,117	54,675	203,792	-
Assets held for sale	114,808	-	114,808	-
Restricted assets				
Cash and cash equivalents	-	1,410,247	1,410,247	-
Investments	110,905	-	110,905	-
Capital assets not being depreciated	22,708,839	26,043,402	48,752,241	8,838,717
Capital assets, net of accumulated depreciation	86,657,111	68,340,979	154,998,090	38,273,107
Net OPEB asset	1,232,083	108,428	1,340,511	-
Total assets	<u>221,574,405</u>	<u>140,995,707</u>	<u>362,570,112</u>	<u>81,001,702</u>

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Statement of Net Position
December 31, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Accounts payable	\$ 1,675,821	\$ 1,485,463	\$ 3,161,284	\$ 163,994
Contracts payable - retainage	734,145	130,154	864,299	-
Due to other units of government	17,538	1,622,978	1,640,516	-
Provision for property tax refunds	132,563	-	132,563	62,002
Payroll and other liabilities	813,785	48,160	861,945	3,163
Due to employees	12,232	-	12,232	-
Interest payable	32,993	-	32,993	-
Refundable deposits	3,318,809	788,178	4,106,987	-
Unearned revenue	-	47,199	47,199	-
Noncurrent liabilities				
Debt due within one year	3,131,182	570,027	3,701,209	50,882
Debt due in more than one year	14,743,472	5,154,286	19,897,758	211,275
Net pension liability	4,939,751	-	4,939,751	-
Total liabilities	<u>29,552,291</u>	<u>9,846,445</u>	<u>39,398,736</u>	<u>491,316</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	26,047,575	-	26,047,575	4,090,537
Lease related	5,844,637	-	5,844,637	102,194
Pension related	2,381,772	-	2,381,772	-
OPEB related	707,562	61,630	769,192	-
Total deferred inflows of resources	<u>34,981,546</u>	<u>61,630</u>	<u>35,043,176</u>	<u>4,192,731</u>
Net position				
Net investment in capital assets	92,559,992	90,047,384	182,607,376	47,111,824
Restricted for				
Donations	110,905	-	110,905	-
Debt service	382,694	-	382,694	-
Streets	1,133,945	-	1,133,945	-
Construction code activity	118,129	-	118,129	-
Public works	1,245,221	-	1,245,221	-
Public safety	110,330	-	110,330	-
Health and welfare	327,606	-	327,606	-
Community and economic development	22,329	-	22,329	-
North Oakland County Water Authority	-	777,904	777,904	-
Postemployment benefits other than pension	1,232,083	108,428	1,340,511	-
Unrestricted	<u>59,797,334</u>	<u>40,153,916</u>	<u>99,951,250</u>	<u>29,205,831</u>
Total net position	<u>\$ 157,040,568</u>	<u>\$ 131,087,632</u>	<u>\$ 288,128,200</u>	<u>\$ 76,317,655</u>

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Statement of Activities
For the Year Ended December 31, 2025

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Functions/programs								
Primary government								
Governmental activities								
General government	\$ 8,571,822	\$ 2,616,856	\$ 359,122	\$ -	\$ (5,595,844)	\$ -	\$ (5,595,844)	\$ -
Public safety	14,324,680	1,967,404	805,730	-	(11,551,546)	-	(11,551,546)	-
Public works	6,364,423	1,178,676	6,738,315	701,112	2,253,680	-	2,253,680	-
Health and welfare	5,674,627	1,589,173	-	-	(4,085,454)	-	(4,085,454)	-
Community and economic development	-	-	943,830	-	943,830	-	943,830	-
Recreation and culture	1,277,351	184,748	117,183	-	(975,420)	-	(975,420)	-
Interest	261,052	-	-	-	(261,052)	-	(261,052)	-
Total governmental activities	<u>36,473,955</u>	<u>7,536,857</u>	<u>8,964,180</u>	<u>701,112</u>	<u>(19,271,806)</u>	<u>-</u>	<u>(19,271,806)</u>	<u>-</u>
Business-type activities								
Golf Course	2,130,588	2,310,772	-	-	-	180,184	180,184	-
Water & Sewer	16,912,127	16,943,419	280,644	614,005	-	925,941	925,941	-
Total business-type activities	<u>19,042,715</u>	<u>19,254,191</u>	<u>280,644</u>	<u>614,005</u>	<u>-</u>	<u>1,106,125</u>	<u>1,106,125</u>	<u>-</u>
Total primary government	<u>\$ 55,516,670</u>	<u>\$ 26,791,048</u>	<u>\$ 9,244,824</u>	<u>\$ 1,315,117</u>	<u>(19,271,806)</u>	<u>1,106,125</u>	<u>(18,165,681)</u>	<u>-</u>
Component units								
TIFA A	\$ 2,140,721	\$ 58,736	\$ 100	\$ -	-	-	-	(2,081,885)
TIFA B	3,343,370	-	-	-	-	-	-	(3,343,370)
TIFA D	1,589,969	2,008	-	-	-	-	-	(1,587,961)
Brownfield Redevelopment Authority	469,919	-	-	-	-	-	-	(469,919)
Downtown Development Authority	278,866	2,753	28,113	-	-	-	-	(248,000)
Total component units	<u>\$ 7,822,845</u>	<u>\$ 63,497</u>	<u>\$ 28,213</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,731,135)</u>
General revenues								
Property taxes					26,463,193	-	26,463,193	3,824,708
Unrestricted state-shared revenue					5,403,895	-	5,403,895	1,398,135
Unrestricted investment earnings					4,056,262	1,817,482	5,873,744	1,202,877
Gain on sale of capital assets					183,482	35,000	218,482	-
Miscellaneous					170,293	-	170,293	-
Transfers					1,656	(1,656)	-	-
Total general revenues					<u>36,278,781</u>	<u>1,850,826</u>	<u>38,129,607</u>	<u>6,425,720</u>
Change in net position					17,006,975	2,956,951	19,963,926	(1,305,415)
Net position - beginning of year					<u>140,033,593</u>	<u>128,130,681</u>	<u>268,164,274</u>	<u>77,623,070</u>
Net position - end of year					<u>\$ 157,040,568</u>	<u>\$ 131,087,632</u>	<u>\$ 288,128,200</u>	<u>\$ 76,317,655</u>

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Governmental Funds
Balance Sheet
December 31, 2025

	General	Special Revenue Fund Major and Local Streets	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 71,209,419	\$ 2,180,937	\$ 2,897,236	\$ 76,287,592
Receivables				
General accounts receivable	1,172,444	435,987	-	1,608,431
Property taxes	18,756,990	-	-	18,756,990
Special assessments	636,002	-	94,062	730,064
Accrued interest	66,802	-	-	66,802
Leases receivable	5,844,637	-	-	5,844,637
Due from other units of government	2,365,527	653,746	294,015	3,313,288
Due from employees	3,864	-	-	3,864
Due from other funds	1,656	-	-	1,656
Prepaid items	147,578	-	-	147,578
Assets held for sale	114,808	-	-	114,808
	<u>\$ 100,319,727</u>	<u>\$ 3,270,670</u>	<u>\$ 3,285,313</u>	<u>\$ 106,875,710</u>
Liabilities				
Accounts payable	\$ 1,066,220	\$ 550,264	\$ 12,015	\$ 1,628,499
Contracts payable - retainage	175,006	557,627	-	732,633
Due to other units of government	2,220	1,025	14,293	17,538
Payroll and other liabilities	798,218	12,052	-	810,270
Due to employees	12,232	-	-	12,232
Provision for property tax refunds	132,563	-	-	132,563
Refundable deposits and bonds	2,227,432	1,015,757	75,620	3,318,809
	<u>4,413,891</u>	<u>2,136,725</u>	<u>101,928</u>	<u>6,652,544</u>

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Governmental Funds
Balance Sheet
December 31, 2025

	General	Special Revenue Fund Major and Local Streets	Nonmajor Governmental Funds	Total Governmental Funds
Deferred inflows of resources				
Unavailable revenue				
Property taxes	\$ 26,047,575	\$ -	\$ -	\$ 26,047,575
Lease related	5,844,637	-	-	5,844,637
Other receivables	110,605	563,201	285,512	959,318
Special assessments	640,868	-	101,780	742,648
Total deferred inflows of resources	<u>32,643,685</u>	<u>563,201</u>	<u>387,292</u>	<u>33,594,178</u>
Fund balances				
Non-spendable				
Prepaid items	147,578	-	-	147,578
Land held for sale	114,808	-	-	114,808
Restricted for				
Streets	-	570,744	-	570,744
Construction code activity	118,129	-	-	118,129
Public works	-	-	1,245,221	1,245,221
Public safety	-	-	110,330	110,330
Health and welfare	-	-	42,094	42,094
Community and economic development	-	-	22,329	22,329
Debt service	-	-	313,907	313,907
Committed				
Storm management	66,629	-	-	66,629
Wayne disposal	-	-	1,061,830	1,061,830
Assigned				
Subsequent year's budget	7,506,458	-	-	7,506,458
Roads contribution	8,150,000	-	-	8,150,000
Riverwalk project	1,000,000	-	-	1,000,000
Fire/EMS equipment	1,105,500	-	-	1,105,500
Parking lot initiatives	5,000,000	-	-	5,000,000
Generator replacements	490,000	-	-	490,000
Debt service	1,857,400	-	-	1,857,400
Unassigned	<u>37,705,649</u>	<u>-</u>	<u>382</u>	<u>37,706,031</u>
Total fund balances	<u>63,262,151</u>	<u>570,744</u>	<u>2,796,093</u>	<u>66,628,988</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 100,319,727</u>	<u>\$ 3,270,670</u>	<u>\$ 3,285,313</u>	<u>\$ 106,875,710</u>

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
December 31, 2025

Total fund balances for governmental funds	\$ 66,628,988
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	22,666,310
Capital assets, net of accumulated depreciation	80,469,424
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	
	1,701,966
Restricted assets held by outside entities are not financial resources and are not reported in the funds.	
	110,905
Deferred outflows (inflows) of resources.	
Deferred inflows of resources resulting from net pension liability	(2,381,772)
Deferred inflows of resources resulting from net OPEB liability	(700,735)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(32,993)
Compensated absences	(1,753,927)
Bonds, notes, premiums and discounts	(14,481,949)
Lease liabilities	(1,083,682)
Subscription arrangements	(506,182)
Net pension liability	(4,939,751)
Net OPEB liability	1,220,051
Internal service funds are included as part of governmental activities.	10,123,915
Net position of governmental activities	\$ 157,040,568

City of Auburn Hills
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2025

	General	Special Revenue Fund Major and Local Streets	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 25,291,013	\$ -	\$ -	\$ 25,291,013
Special assessments	1,202,506	-	111,585	1,314,091
Licenses and permits	1,585,164	-	1,000	1,586,164
Federal grants	115,432	-	77,858	193,290
State-shared revenue	5,651,970	-	-	5,651,970
Other state grants	986,942	5,066,655	104,481	6,158,078
Local contributions	960,854	1,919,330	-	2,880,184
Charges for services	4,587,740	-	565,722	5,153,462
Fines and forfeitures	226,161	-	33,346	259,507
Rental income	356,546	-	-	356,546
Investment income	3,619,605	109,791	115,894	3,845,290
Other revenue	573,503	110,521	48,020	732,044
	<u>45,157,436</u>	<u>7,206,297</u>	<u>1,057,906</u>	<u>53,421,639</u>
Total revenues				
Expenditures				
Current				
General government	8,892,796	-	132,225	9,025,021
Public safety	16,815,453	-	30,755	16,846,208
Streets	-	14,602,122	-	14,602,122
Public works	789,183	-	41,463	830,646
Health, welfare and community development	5,498,726	-	179,213	5,677,939
Recreation and culture	1,219,313	-	-	1,219,313
Debt service	-	-	-	-
Principal retirement	228,406	-	1,650,000	1,878,406
Interest and fiscal charges	13,061	-	394,025	407,086
	<u>33,456,938</u>	<u>14,602,122</u>	<u>2,427,681</u>	<u>50,486,741</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>11,700,498</u>	<u>(7,395,825)</u>	<u>(1,369,775)</u>	<u>2,934,898</u>
Other financing sources (uses)				
Transfers in	1,656	5,660,000	1,864,900	7,526,556
Transfers out	(6,964,900)	-	(560,000)	(7,524,900)
Sale of capital assets	42,537	-	-	42,537
	<u>(6,920,707)</u>	<u>5,660,000</u>	<u>1,304,900</u>	<u>44,193</u>
Total other financing sources (uses)				
Net change in fund balances	4,779,791	(1,735,825)	(64,875)	2,979,091
Fund balances - beginning of year	<u>58,482,360</u>	<u>2,306,569</u>	<u>2,860,968</u>	<u>63,649,897</u>
Fund balances - end of year	<u>\$ 63,262,151</u>	<u>\$ 570,744</u>	<u>\$ 2,796,093</u>	<u>\$ 66,628,988</u>

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balances - total governmental funds	\$ 2,979,091
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.	
Depreciation and amortization expense	(4,663,858)
Capital outlay	14,797,901
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
	(363,878)
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	3,450
Compensated absences	(353,722)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in the net pension liability	2,868,271
Net change in the deferred inflow of resources related to the net pension liability	(2,165,439)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and pension expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in the net OPEB liability (asset)	1,292,560
Net change in the deferred outflow of resources related to the net OPEB liability (asset)	(773,207)
Net change in the deferred inflow of resources related to the net OPEB liability (asset)	670,855
Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Repayments of long-term debt	1,878,406
Amortization of premiums, discounts and similar items	142,584
Internal service funds are also included as governmental activities	693,961
Change in net position of governmental activities	\$ 17,006,975

City of Auburn Hills
Proprietary Funds
Statement of Net Position
December 31, 2025

	Enterprise Funds			Internal Service Fund
	Water & Sewer Fund	Nonmajor Fieldstone Golf Club Fund	Total	
Assets				
Current assets				
Cash and investments	\$ 37,942,491	\$ 1,276,239	\$ 39,218,730	\$ 6,492,181
Receivables				
Utility bills	2,830,270	-	2,830,270	-
Due from other units of government	197,636	-	197,636	-
Inventories	214,677	74,356	289,033	-
Prepaid items	-	54,675	54,675	1,539
Total current assets	41,185,074	1,405,270	42,590,344	6,493,720
Noncurrent assets				
Restricted assets				
Cash and cash equivalents	1,410,247	-	1,410,247	-
Capital assets not being depreciated	17,551,665	8,491,737	26,043,402	42,529
Capital assets, net of accumulated depreciation	65,119,060	3,221,919	68,340,979	6,187,687
Net OPEB asset	96,419	12,009	108,428	12,032
Total noncurrent assets	84,177,391	11,725,665	95,903,056	6,242,248
Total assets	125,362,465	13,130,935	138,493,400	12,735,968

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Proprietary Funds
Statement of Net Position
December 31, 2025

	Enterprise Funds			Internal Service Fund
	Water & Sewer	Nonmajor Fieldstone Golf	Total	
	Fund	Club Fund		
Liabilities				
Current liabilities				
Accounts payable	\$ 1,478,111	\$ 7,352	\$ 1,485,463	\$ 47,322
Contracts payable - retainage	130,154	-	130,154	1,512
Due to other funds	-	1,656	1,656	-
Due to other units of government	1,616,713	6,265	1,622,978	-
Payroll and other liabilities	46,682	1,478	48,160	3,515
Refundable deposits	788,178	-	788,178	-
Unearned revenue	-	47,199	47,199	-
Compensated absences	61,275	8,444	69,719	30,374
Current portion of long-term liabilities	409,803	90,505	500,308	-
Total current liabilities	4,530,916	162,899	4,693,815	82,723
Noncurrent liabilities				
Current liabilities payable from restricted assets				
Compensated absences	30,851	6,653	37,504	18,540
Long-term liabilities	4,924,576	192,206	5,116,782	-
Total noncurrent liabilities	4,955,427	198,859	5,154,286	18,540
Total liabilities	9,486,343	361,758	9,848,101	101,263
Deferred inflows of resources				
OPEB related	54,797	6,833	61,630	6,827
Net position				
Net investment in capital assets	78,616,439	11,430,945	90,047,384	6,230,216
Restricted for				
North Oakland County Water Authority	777,904	-	777,904	-
OPEB	96,419	12,009	108,428	12,032
Unrestricted	36,330,563	1,319,390	37,649,953	6,385,630
Total net position	\$ 115,821,325	\$ 12,762,344	128,583,669	\$ 12,627,878
Some amounts reported for business-type activities in the statement of net position are different because certain internal service funds assets and liabilities are reported with business-type activities			<u>2,503,963</u>	
Net position of business-type activities			<u>\$ 131,087,632</u>	

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2025

	Enterprise Funds			Internal Service Fund
	Water & Sewer Fund	Nonmajor Fieldstone Golf Club Fund	Total	
Operating revenue				
Customer fees	\$ 16,955,241	\$ 1,646,586	\$ 18,601,827	\$ -
Billings to other funds	-	-	-	3,900,102
Rental income	-	469,568	469,568	-
Other revenue	268,822	194,618	463,440	(5,592)
Total operating revenue	<u>17,224,063</u>	<u>2,310,772</u>	<u>19,534,835</u>	<u>3,894,510</u>
Operating expenses				
Personnel services	1,074,001	413,971	1,487,972	331,705
Supplies	431,286	152,352	583,638	473,835
Contractual services	122,080	723,732	845,812	2,848
Utilities	10,531,514	79,844	10,611,358	-
Repairs and maintenance	121,666	45,111	166,777	401,954
Other expenses	2,212,354	177,934	2,390,288	537,310
Depreciation	2,414,816	522,733	2,937,549	1,778,885
Total operating expenses	<u>16,907,717</u>	<u>2,115,677</u>	<u>19,023,394</u>	<u>3,526,537</u>
Operating income (loss)	<u>316,346</u>	<u>195,095</u>	<u>511,441</u>	<u>367,973</u>
Nonoperating revenue (expenses)				
Investment income	1,784,705	32,777	1,817,482	238,031
Gain on sale of capital assets	35,000	-	35,000	140,945
Interest expense	(57,398)	(14,911)	(72,309)	-
Total nonoperating revenues (expenses)	<u>1,762,307</u>	<u>17,866</u>	<u>1,780,173</u>	<u>378,976</u>
Income (loss) before contributions and transfers	<u>2,078,653</u>	<u>212,961</u>	<u>2,291,614</u>	<u>746,949</u>
Capital contributions	614,005	-	614,005	-
Transfers out	-	(1,656)	(1,656)	-
Change in net position	<u>2,692,658</u>	<u>211,305</u>	<u>2,903,963</u>	<u>746,949</u>
Net position - beginning of year	<u>113,128,667</u>	<u>12,551,039</u>		<u>11,880,929</u>
Net position - end of year	<u>\$ 115,821,325</u>	<u>\$ 12,762,344</u>		<u>\$ 12,627,878</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities			<u>52,988</u>	
Change in net position of business-type activities			<u>\$ 2,956,951</u>	

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2025

	Enterprise Funds			
	Water & Sewer	Nonmajor Fieldstone Golf	Total	Internal Service
	Fund	Club Fund		Fund
Cash flows from operating activities				
Receipts from customers	\$ 16,776,718	\$ 2,321,498	\$ 19,098,216	\$ (5,592)
Receipts from interfund users	-	-	-	3,900,562
Receipts from other funds	-	1,656	1,656	-
Payments to suppliers	(12,486,590)	(1,201,449)	(13,688,039)	-
Payments to employees	(1,056,155)	(411,916)	(1,468,071)	-
Payments for interfund services used	(560,599)	-	(560,599)	(1,821,149)
Net cash provided (used) by operating activities	<u>2,673,374</u>	<u>709,789</u>	<u>3,383,163</u>	<u>2,073,821</u>
Cash flows from noncapital financing activities				
Transfers to other funds	-	(1,656)	(1,656)	-
Cash flows from capital and related financing activities				
Proceeds from capital debt	722,556	-	722,556	-
Capital contributions	614,005	-	614,005	-
Purchases/construction of capital assets	(5,280,432)	(843,412)	(6,123,844)	(2,694,849)
Principal and interest paid on long-term debt	(502,393)	(96,055)	(598,448)	-
Proceeds from sale of capital assets	35,000	-	35,000	140,945
Net cash provided (used) by capital and related financing activities	<u>(4,411,264)</u>	<u>(939,467)</u>	<u>(5,350,731)</u>	<u>(2,553,904)</u>
Cash flows from investing activities				
Interest received	<u>1,784,705</u>	<u>32,777</u>	<u>1,817,482</u>	<u>238,031</u>
Net change in cash and cash equivalents	46,815	(198,557)	(151,742)	(242,052)
Cash and cash equivalents - beginning of year	<u>39,305,923</u>	<u>1,474,796</u>	<u>40,780,719</u>	<u>6,734,233</u>
Cash and cash equivalents - end of year	<u>\$ 39,352,738</u>	<u>\$ 1,276,239</u>	<u>\$ 40,628,977</u>	<u>\$ 6,492,181</u>
Reconciliation to statement of net position				
Cash and cash equivalents	\$ 37,942,491	\$ 1,276,239	\$ 39,218,730	\$ 6,492,181
Restricted cash and cash equivalents	<u>1,410,247</u>	<u>-</u>	<u>1,410,247</u>	<u>-</u>
Cash and cash equivalents - end of year	<u>\$ 39,352,738</u>	<u>\$ 1,276,239</u>	<u>\$ 40,628,977</u>	<u>\$ 6,492,181</u>

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2025

	Enterprise Funds			
	Water & Sewer	Nonmajor Fieldstone Golf	Total	Internal Service
	Fund	Club Fund		Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 316,346	\$ 195,095	\$ 511,441	\$ 367,973
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation and amortization expense	2,414,816	522,733	2,937,549	1,778,885
Changes in assets and liabilities				
Receivables (net)	(346,408)	-	(346,408)	460
Due from other units of government	(132,227)	-	(132,227)	-
Inventories	12,208	(8,990)	3,218	-
Prepaid items	-	25,778	25,778	8,761
OPEB related deferred outflows of resources	56,474	6,081	62,555	8,867
Accounts payable	(129,157)	(24,704)	(153,861)	(68,200)
Accrued and other liabilities	(231,753)	(4,131)	(235,884)	(17,698)
Due to other funds	-	1,656	1,656	-
Due to other units of government	810,855	3	810,858	-
Unearned revenue	-	10,726	10,726	-
Refundable deposits payable	31,290	-	31,290	-
Compensated absences	17,846	2,055	19,901	16,510
Net OPEB liability (asset)	(101,075)	(12,509)	(113,584)	(12,767)
OPEB related deferred inflows of resources	(45,841)	(4,004)	(49,845)	(8,970)
Net cash provided (used) by operating activities	<u>\$ 2,673,374</u>	<u>\$ 709,789</u>	<u>\$ 3,383,163</u>	<u>\$ 2,073,821</u>

During 2025, developers contributed \$289,585 of water mains to the Water & Sewer Fund.

City of Auburn Hills
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2025

	Pension and Other Employee Benefit Trust Funds	Custodial Funds		Total Fiduciary Funds
		Tax Collection Fund	Auburn Hills Public Library Investment Pool	
Assets				
Cash and cash equivalents	\$ 1,519,824	\$ 7,132,440	\$ 1,248,798	\$ 9,901,062
Investments				
Mutual funds	64,121,737	-	1,437,333	65,559,070
Hedge funds	9,047,351	-	-	9,047,351
Commingled funds	17,049,275	-	-	17,049,275
Real estate	4,337,387	-	-	4,337,387
Accrued interest and other	5,296	-	-	5,296
Total assets	<u>96,080,870</u>	<u>7,132,440</u>	<u>2,686,131</u>	<u>105,899,441</u>
Liabilities				
Accounts payable	21,276	17,192	-	38,468
Due to other units of government	-	7,115,248	-	7,115,248
Total liabilities	<u>21,276</u>	<u>7,132,440</u>	<u>-</u>	<u>7,153,716</u>
Net position				
Restricted for:				
Pensions	61,697,249	-	-	61,697,249
Postemployment benefits other than pension	34,362,345	-	-	34,362,345
Pool participants	-	-	2,686,131	2,686,131
Total net position	<u>\$ 96,059,594</u>	<u>\$ -</u>	<u>\$ 2,686,131</u>	<u>\$ 98,745,725</u>

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2025

	Pension and Other Employee Benefit Trust Funds	Custodial Funds		Total Fiduciary Funds
		Tax Collection Fund	Auburn Hills Public Library Investment Pool	
Additions				
Contributions				
Employer	\$ 1,242,987	\$ -	\$ -	\$ 1,242,987
Members	10,397	-	-	10,397
Total contributions	<u>1,253,384</u>	<u>-</u>	<u>-</u>	<u>1,253,384</u>
Investment earnings				
Interest, dividends and other	1,931,189	-	-	1,931,189
Net increase in fair value of investments	7,955,495	-	70,425	8,025,920
Total investment earnings	<u>9,886,684</u>	<u>-</u>	<u>70,425</u>	<u>9,957,109</u>
Less investment costs				
Investment activity costs	154,664	-	-	154,664
Net investment earnings	<u>9,732,020</u>	<u>-</u>	<u>70,425</u>	<u>9,802,445</u>
Property tax collections for other governments	-	66,757,460	-	66,757,460
Additions by Auburn Hills Public Library	-	-	2,674,239	2,674,239
Miscellaneous	421	-	-	421
Total additions	<u>10,985,825</u>	<u>66,757,460</u>	<u>2,744,664</u>	<u>80,487,949</u>
Deductions				
Benefits paid to participants or beneficiaries	6,592,432	-	-	6,592,432
Deductions by Auburn Hills Public Library	-	-	2,338,542	2,338,542
Administrative expense	145,428	-	-	145,428
Other expense	9,611	-	-	9,611
Payments of property tax to other governments	-	66,757,460	-	66,757,460
Total deductions	<u>6,747,471</u>	<u>66,757,460</u>	<u>2,338,542</u>	<u>75,843,473</u>
Change in net position	4,238,354	-	406,122	4,644,476
Net position - beginning of year	<u>91,821,240</u>	<u>-</u>	<u>2,280,009</u>	<u>94,101,249</u>
Net position - end of year	<u>\$ 96,059,594</u>	<u>\$ -</u>	<u>\$ 2,686,131</u>	<u>\$ 98,745,725</u>

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Component Units
Combining Statement of Net Position
December 31, 2025

	TIFA A	TIFA B	TIFA D	Brownfield Redevelopment Authority	Economic Development Corporation	Downtown Development Authority	Total
Assets							
Current assets							
Cash and cash equivalents	\$ 3,612,563	\$ 15,757,953	\$ 5,644,812	\$ 3,268,234	\$ 9,344	\$ 1,596,681	\$ 29,889,587
Receivables							
Property taxes	932,756	1,660,403	274,535	384,584	-	643,319	3,895,597
Leases receivable, current	102,194	-	-	-	-	-	102,194
Due from other units of government	-	-	-	-	-	2,500	2,500
Total current assets	4,647,513	17,418,356	5,919,347	3,652,818	9,344	2,242,500	33,889,878
Noncurrent assets							
Capital assets not being depreciated	6,336,254	352,457	2,134,822	-	-	15,184	8,838,717
Capital assets, net of accumulated depreciation	14,229,062	6,159,085	17,858,960	-	-	26,000	38,273,107
Total noncurrent assets	20,565,316	6,511,542	19,993,782	-	-	41,184	47,111,824
Total assets	25,212,829	23,929,898	25,913,129	3,652,818	9,344	2,283,684	81,001,702
Liabilities							
Current liabilities							
Accounts payable	44,874	984	49,659	68,329	-	148	163,994
Provision for property tax refunds	13,603	-	44,249	3,488	-	662	62,002
Payroll and other liabilities	-	-	378	2,785	-	-	3,163
Current portion of long-term liabilities	-	-	-	50,882	-	-	50,882
Total current liabilities	58,477	984	94,286	125,484	-	810	280,041
Noncurrent liabilities							
Long-term liabilities	-	-	-	211,275	-	-	211,275
Total liabilities	58,477	984	94,286	336,759	-	810	491,316
Deferred inflows of resources							
Unavailable revenue - taxes	963,867	1,751,565	290,034	419,222	-	665,849	4,090,537
Lease related	102,194	-	-	-	-	-	102,194
Total deferred inflows of resources	1,066,061	1,751,565	290,034	419,222	-	665,849	4,192,731
Net position							
Net investment in capital assets	20,565,316	6,511,542	19,993,782	-	-	41,184	47,111,824
Unrestricted	3,522,975	15,665,807	5,535,027	2,896,837	9,344	1,575,841	29,205,831
Total net position	\$ 24,088,291	\$ 22,177,349	\$ 25,528,809	\$ 2,896,837	\$ 9,344	\$ 1,617,025	\$ 76,317,655

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Component Units
Combining Statement of Activities
For the Year Ended December 31, 2025

	TIFA A	TIFA B	TIFA D	Brownfield Redevelopment Authority	Economic Development Authority	Downtown Development Department	Total
Expenses							
Community and economic development	\$ 2,140,721	\$ 3,343,370	\$ 1,589,969	\$ 465,767	\$ -	\$ 278,866	\$ 7,818,693
Interest	-	-	-	4,152	-	-	4,152
Total expenses	<u>2,140,721</u>	<u>3,343,370</u>	<u>1,589,969</u>	<u>469,919</u>	<u>-</u>	<u>278,866</u>	<u>7,822,845</u>
Program revenues							
Charges for services	58,736	-	2,008	-	-	2,753	63,497
Operating grants and contributions	100	-	-	-	-	28,313	28,413
Total program revenues	<u>58,836</u>	<u>-</u>	<u>2,008</u>	<u>-</u>	<u>-</u>	<u>31,066</u>	<u>91,910</u>
Net program expense	<u>2,081,885</u>	<u>3,343,370</u>	<u>1,587,961</u>	<u>469,919</u>	<u>-</u>	<u>247,800</u>	<u>7,730,935</u>
General revenues							
Property taxes	916,772	1,680,119	210,043	415,881	-	601,693	3,824,508
State-shared revenue	288,568	165,434	944,133	-	-	-	1,398,135
Unrestricted investment earnings	129,325	717,321	171,002	145,424	-	39,805	1,202,877
Total general revenues	<u>1,334,665</u>	<u>2,562,874</u>	<u>1,325,178</u>	<u>561,305</u>	<u>-</u>	<u>641,498</u>	<u>6,425,520</u>
Change in net position	(747,220)	(780,496)	(262,783)	91,386	-	393,698	(1,305,415)
Net position - beginning of year	<u>24,835,511</u>	<u>22,957,845</u>	<u>25,791,592</u>	<u>2,805,451</u>	<u>9,344</u>	<u>1,223,327</u>	<u>77,623,070</u>
Net position - end of year	<u>\$ 24,088,291</u>	<u>\$ 22,177,349</u>	<u>\$ 25,528,809</u>	<u>\$ 2,896,837</u>	<u>\$ 9,344</u>	<u>\$ 1,617,025</u>	<u>\$ 76,317,655</u>

See Accompanying Notes to the Financial Statements

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by the City of Auburn Hills (the City):

Reporting Entity

The City of Auburn Hills, Michigan is governed by an elected seven-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the City's operations, even though they are separate legal entities. Thus, blended component units are appropriately presented as funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City (see discussion below for description).

Blended Component Unit

The Building Authority is governed by a five-member board appointed by the City Council. Although it is legally separate from the City, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public buildings.

Discretely Presented Component Units

The following component units are reported within the component unit column in the government-wide financial statements. They are reported in a separate column to emphasize that they are legally separate from the City.

Tax Increment Finance Authorities (TIFA) - The TIFAs are governed by a nine-member board. The board is appointed by the mayor and confirmed by the City Council. The City can significantly influence the operations of the TIFA board, as the City Council approves the TIFA budgets. The TIFAs were created to finance infrastructure improvements within certain boundaries of the City.

Brownfield Redevelopment Authority - The Brownfield Redevelopment Authority is governed by a five-member board. The board is appointed by the mayor and confirmed by the City Council. The City can significantly influence the operations of the Brownfield Redevelopment Authority board, as the City Council approves the Brownfield Redevelopment Authority budget. The five-member board is composed of one member of the City Council and four citizens at large. The Brownfield Redevelopment Authority was created to provide a means for financing remediation of brownfield (environmentally contaminated) sites within the City.

Economic Development Corporation (EDC) - The EDC is governed by a nine-member board. This board is appointed by the mayor and confirmed by the City Council. The City can significantly influence the operations of the EDC, as the City Council approves the EDC budget. The EDC was created to provide a means and method for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City. The EDC may issue industrial revenue bonds as a means of providing financing for certain enterprises.

Downtown Development Authority (DDA) - The Downtown Development Authority is governed by a nine-member board. This board is appointed by the mayor and confirmed by the City Council. The City can significantly influence the operations of the DDA, as the City Council approves the DDA budget. The DDA was created to provide a means and method for the encouragement of development in the downtown district of the City.

Although no separate financial statements are prepared for the component units, all financial information can be obtained from the City's finance department.

Pension Trust Fund

The City of Auburn Hills Employee Pension Plan is governed by a seven-member pension board that includes the mayor, city manager, city clerk, finance director, and three union members. Although it is legally separate

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

from the City, it is reported as a fiduciary component unit because the City appoints the voting majority to the pension board and the plan imposes a financial burden on the City.

Retiree Health Care Trust Fund

The Auburn Hills Retiree Health Care Plan is governed by a seven-member retiree health care board that includes the mayor, city manager, city clerk, finance director, and three union members. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints the voting majority to the retiree health care board and the plan imposes a financial burden on the City.

Accounting and Reporting Principles

The City follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB).

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. On the full accrual basis of accounting, revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the City's water and sewer function and various other functions. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, capital project funds, and debt service funds. The City reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Major and Local Streets Fund accounts for the maintenance and improvement activities for streets within the City. Funding is primarily state-shared gas and weight tax.

Additionally, the City reports the following nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.
- Debt service funds are used to record special assessment revenue and other revenue for payment of interest, principal, and other expenditures on long-term debt.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the City). The City reports the following fund as a major enterprise fund:

- The Water & Sewer Fund provides water to customers and disposes of sanitary sewage for residents and commercial enterprises of the City on a user-charge basis.

Additionally, the City reports the following nonmajor enterprise fund:

- The Fieldstone Golf Club Fund is used for the operation and maintenance of the City golf course for use of residential and nonresidential customers.

The City's internal service fund is used to record the financing of services provided by the City to other departments and funds on a cost-reimbursement basis. The internal service fund is accounted for on a full accrual basis, so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include the following:

- The Pension Trust Fund accumulates resources for pension benefit payments to retirees.
- The Retiree Health Care Trust Fund accumulates resources for future retiree health care payments to retirees.

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

- The Tax Collection Fund collects taxes on behalf of all the taxing authorities (state, county, school district, and the various smaller authorities).
- The Auburn Hills Public Library Investment Pool accumulates cash and investments on behalf of the Auburn Hills Public Library. The Auburn Hills Public Library deposits are invested with city funds. Income, gains, and losses are allocated based upon the average monthly balance. The Auburn Hills Public Library Investment Pool is not subject to regulatory oversight, is not registered with the Securities and Exchange Commission (SEC), and does not issue a separate report. Investments are valued monthly at fair value.

Interfund Activity

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the governmentwide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received, or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow. In addition, property taxes collected in December of the current year are available; however, those taxes were levied for the following year's budget; therefore, this revenue has also been shown as a deferred inflow.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

Specific Balances and Transactions

Cash and Investments - Cash and cash equivalents include cash on hand and short-term investments with a maturity of three months or less when acquired. Pooled investment income is generally allocated to each fund using a weighted average. Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sale price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value, as determined based on the City's share of the audited net asset value (NAV) of the investment.

The pension and OPEB trusts include investments valued at approximately \$26.9 million (approximately 44 percent of pension assets) and approximately \$3.5 million (approximately 10 percent of OPEB assets), respectively, whose fair values are not publicly traded and, therefore, do not always have a readily determinable market value at year end. Management's estimates of these values are based on the City's share of NAV of the related investment company.

Inventories and Prepaid Items - Inventories are valued at cost on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets - Assets have been restricted in the primary government, as they represent assets held by the Auburn Hills Community Foundation; Oakland County, Michigan; and North Oakland County Water Authority to be applied against future payment obligations of the City. See Note 4 for additional discussion.

Capital Assets - Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City adopted a dollar cost threshold of \$25,000 for capital asset classes pertaining to water/sewer infrastructure/mains, buildings, and roads. The threshold for all other capital asset classes is \$5,000. All capital asset classes must have an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City uses a full year of depreciation in the first year of service. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

Infrastructure, buildings, equipment, vehicles, and other capital assets are depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building improvements	15 to 30 years
Water and sewer lines	50 to 75 years
Vehicles	3 to 10 years
Office equipment computer equipment	5 to 7 years
Computer equipment	3 to 7 years

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

Deferred outflows of resources – A deferred outflow of resources represents a consumption of net assets by the City that applies to future periods. The City may report deferred outflows of resources as a result of the following:

- Pension and OPEB earnings which are the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.
- Changes in assumptions and experience differences relating to the net pension and net OPEB liability (asset) are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.
- Pension and OPEB contributions made after the measurement date. This amount will reduce the net pension liability and net OPEB liability (asset) in the following year.

Deferred inflows of resources – A deferred inflow of resources represents an acquisition of net assets by the City that applies to future periods. The City may report deferred inflows of resources as a result of the following:

- Unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.
- Lease revenue related to leases receivable which is being amortized to recognize lease revenue in a systematic and rational manner over the term of the lease.
- Pension and OPEB earnings which are the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.
- Changes in assumptions and experience differences relating to the net pension and net OPEB liability (asset) are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.
- Deferred amounts for property taxes levied for the next fiscal year's budget.

Net Position - Net position of the City is classified in three components. Net investment in capital assets - net of related debt consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net position is further classified as expendable and nonexpendable, where applicable. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption - The City will sometimes fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider unrestricted net position to have been depleted before restricted net position is applied.

Fund Balance Flow Assumptions - The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. In all previous years, it has been the City's policy to consider unrestricted fund balance to have been depleted before using any of the components of restricted fund balance. During December 2020, the City's policy was amended on a forward-looking basis to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

Fund Balance Policies - Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City has, by resolution, authorized the finance director, city manager, assistant city manager, and deputy finance director to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget, one time capital projects in the General Fund or for transfers from the General Fund to other funds such as roads to support infrastructure projects and related costs. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The City's fund balance policy prescribes the minimum unrestricted fund balance as 20 percent of operating expenditures in the General Fund. This is deemed to be the prudent amount to maintain the City's ability to meet obligations as they come due throughout the year.

Property Tax Revenue - Property taxes are levied on each December 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The City's 2025 property tax revenue was levied and collectible on December 1, 2024 and is recognized as revenue in the year ending December 31, 2025 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2024 taxable valuation of the City totaled \$2.015 billion (ad valorem only). A portion of the City's taxable value is abated, and a portion is captured by the TIFAs, Brownfield Redevelopment Authority, and DDA. These authorities have tax levies both on the December and July property tax bills.

Purpose	Millage Rate	Revenue
General Operating	2.1049	\$ 4,252,212
Roads	1.5000	3,018,436
Fire Department	2.4940	5,018,532
Police Department	5.9713	12,017,844
Total		<u>\$ 24,307,024</u>

Pension - The City offers a defined benefit pension plan to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

Investments are reported at fair value. The net pension liability has historically been liquidated from the funds from which the individual salaries are paid, which are the General Fund and Water & Sewer Fund.

Other Postemployment Benefit Costs - The City offers retiree health care benefits to retirees. The City records a net OPEB asset for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The net OPEB asset has generally been liquidated from the funds from which the individual salaries are paid, which are the General Fund, Water & Sewer Fund, Fieldstone Golf Club Fund, and Fleet Management Fund.

Compensated Absences (Leave Time) - City employees are granted leave time in varying amounts based on length of service. Leave time is accrued and fully vested when earned; upon termination, employees are paid accumulated vacation at full rates to a limit of their maximum payout, which varies by bargaining unit. All leave time is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. All other accrued compensated absences are reported in the government-wide financial statements.

Proprietary Funds Operating Classification - Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water & Sewer Fund and internal service funds is charges to customers for sales and services. The Water & Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints.

Upcoming Accounting and Reporting Changes

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending December 31, 2026.

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Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for the year ending December 31, 2026.

Statement No. 105, *Subsequent Events*, establishes accounting and financial reporting standards for events or transactions that occur after the measurement date of the financial statements but before the date the financial statements are available to be issued. This Statement distinguishes between events that provide additional evidence about conditions that existed at the date of the financial statements and events that provide evidence about conditions that did not exist at that date. Events that provide additional evidence about conditions existing at the financial statement date are recognized in the financial statements, whereas events that provide evidence about conditions arising after the financial statement date are not recognized but should be disclosed if they are essential for users' understanding of the financial statements. This Statement also clarifies the definition of the date the financial statements are available to be issued for disclosure purposes. This Statement is effective for the year ending December 31, 2027.

The City is evaluating the impact that the above GASB statements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees

The City oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation, to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative surplus at January 1, 2025		\$	130,238
Building permit revenue			1,358,188
Related expenses:			
Direct expenses	\$		1,232,079
Estimated indirect costs		138,219	
Total related expenses			1,370,298
Current year surplus (shortfall)			(12,109)
Cumulative surplus at December 31, 2025		\$	118,129

City of Auburn Hills
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Note 3 - Deposits and Investments

Deposits and Investments are reported in the financial statements as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Units
Cash and investments	\$ 82,779,773	\$ 39,218,730	\$ 105,894,145	\$ 29,889,587
Restricted cash and cash equivalents	-	1,410,247	-	-
Restricted investments	110,905	-	-	-
Total	<u>\$ 82,890,678</u>	<u>\$ 40,628,977</u>	<u>\$ 105,894,145</u>	<u>\$ 29,889,587</u>

These amounts are classified into the following deposits and investment categories:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Units
Deposits	\$ 29,273,395	\$ 9,748,344	\$ 9,884,744	\$ 25,188,462
Petty cash	2,650	1,800	200	-
Restricted assets	110,905	1,410,247	-	-
Investments:				
Michigan CLASS	1,605,897	589,541	-	624,663
Michigan CLASS EDGE	4,517,715	9,167,068	552,322	3,965,911
Investment managers	<u>47,380,116</u>	<u>19,711,977</u>	<u>95,456,879</u>	<u>110,551</u>
Total	<u>\$ 82,890,678</u>	<u>\$ 40,628,977</u>	<u>\$ 105,894,145</u>	<u>\$ 29,889,587</u>

Michigan Compiled Laws Section 129.91 (Public Act (PA) 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension trust fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The City adopted Public Act 149 of 1999, which allows the City to invest retiree health care funds in more diversified investment asset classes, as allowed under Michigan Public Act 314 of 1965, as amended.

The City has designated three banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government, bank accounts, CDs, commercial paper, and municipal bonds. The City's deposits and investment policies are in accordance with statutory authority. The City's treasurer periodically submits recommendations for approved depository banks and credit unions to the City Council. The recommendations are based on external rating services and recommendations by the City's external cash fund managers. Additionally, the City participates in the Michigan CLASS investment pool. The investment pool is not subject to regulatory oversight,

City of Auburn Hills
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is not registered with the SEC, and does not issue a separate financial report. The fair value of the position in the pool is the same as the value of the pool shares.

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy restricts depository accounts to federally insured institutions located within the state of Michigan (consistent with state law). At year end, the City had \$73,397,310 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The uninsured and uncollateralized amount includes \$12,012,849 of a fiduciary trust fund and \$9,521 of component unit deposits. The City believes that, due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The City contracts one investment manager to manage a portion of the City's surplus operating cash. The funds placed under the investment manager represent commingled funds of the primary government, component unit funds, an internal service fund, and a custodial external investment pool fund. Investments held by the investment manager at December 31, 2025 by the custodial bank include U.S. Treasuries of \$33,244,374 and U.S. agency securities of \$33,974,389. The investments held by the investment managers include \$126,657 and \$885,011 of component unit and Auburn Hills Public Library Investment Pool investments, respectively.

As noted above, the City participates in the Michigan CLASS investment pool, and the Michigan CLASS EDGE investment pool. As of December 31, 2025, the City's investment in the Michigan CLASS investment pool was \$2,820,101, which includes \$624,663 of component unit investments. As of December 31, 2025, the City's investment in the Michigan CLASS EDGE investment pool was \$18,203,016, which includes \$3,965,911 of component unit investments.

In addition to the governmental fund bank deposits noted above, the City had cash and investments held in trust by a custodial bank as a part of the City's Pension Trust Fund and Retiree Health Care Trust Fund program. The funds' cash and investments stated at market value were \$61,708,586 and \$34,366,988 in the Pension Trust Fund and Retiree Health Care Trust Fund, respectively, as of December 31, 2025.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy restricts the average maturity of investments to two years, with the exception of long-term debt or capital fund investments, which may be invested in securities matched to cash flow requirements with a maximum of five years. The City's pension and retiree health care investment policies restrict cash equivalents to a dollar-weighted average maturity of 90 days or less.

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As of year end, the City had the following investments and maturities:

Investment	Fair Value	Rating	Rating Organization
<u>Primary Government (Includes Component Unit Investments)</u>			
U.S. government agencies	\$ 33,974,389	AA+	S&P
U.S. Treasuries	33,244,374	AA+	S&P
Michigan CLASS - investment pool	2,820,101	AAAm	S&P
Michigan CLASS EDGE - investment pool	<u>17,650,694</u>	AAAf/S1	Fitch Ratings
Total	<u>\$ 87,689,558</u>		
<u>Fiduciary Funds</u>			
Mutual funds - fixed income	\$ 9,318,134	A1	Moody's
Commingled funds - fixed income	17,049,275	Aa3	Moody's
Michigan CLASS - investment pool	2,170	AAAm	S&P
Michigan CLASS EDGE - investment pool	552,322	AAAf/S1	Fitch Ratings
Investment pool	<u>885,011</u>	AA+	S&P
Total	<u>\$ 27,806,912</u>		

City of Auburn Hills
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Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City's general investment policy also limits investments to commercial paper to the highest rating (A-I/P-I), bankers' acceptances whose long-term debt rating is at least an A, obligations of the State or its political subdivisions to the highest rating (A-I/P-I), or pooled funds with a rating of at least an A. As of year end, the credit quality ratings of debt securities (other than the U.S government) are as follows:

Investment	Fair Value	Rating	Rating Organization
<u>Primary Government (Includes Component Unit Investments)</u>			
U.S. government agencies	\$ 33,974,389	AA+	S&P
U.S. Treasuries	33,244,374	AA+	S&P
Michigan CLASS - investment pool	2,820,101	AAAm	S&P
Michigan CLASS EDGE - investment pool	<u>17,650,694</u>	AAAf/S1	Fitch Ratings
Total	<u>\$ 87,689,558</u>		
<u>Fiduciary Funds</u>			
Mutual funds - fixed income	\$ 9,318,134	A1	Moody's
Commingled funds - fixed income	17,049,275	Aa3	Moody's
Michigan CLASS - investment pool	2,170	AAAm	S&P
Michigan CLASS EDGE - investment pool	552,322	AAAf/S1	Fitch Ratings
Investment pool	<u>885,011</u>	AA+	S&P
Total	<u>\$ 27,806,912</u>		

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

City of Auburn Hills
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The City has the following recurring fair value measurements as of December 31, 2025:

	Assets and Liabilities Measured at Carrying Value on a Recurring Basis at December 31, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2025
	(Level 1)	(Level 2)	Inputs (Level 3)	2025
Debt Securities				
U.S. Treasuries	\$ -	\$ 33,244,374	\$ -	\$ 33,244,374
U.S. government agencies	-	34,859,400	-	34,859,400
Mutual funds and fixed income	<u>9,318,134</u>	<u>-</u>	<u>-</u>	<u>9,318,134</u>
Total debt securities	9,318,134	68,103,774	-	77,421,908
Equity securities				
Mutual funds - equity	<u>54,803,602</u>	<u>-</u>	<u>-</u>	<u>54,803,602</u>
Total investments by fair value level	<u>\$ 64,121,736</u>	<u>\$ 68,103,774</u>	<u>\$ -</u>	<u>132,225,510</u>
Investments measured at net asset value (NAV):				
Michigan CLASS investment pool				2,820,101
Michigan CLASS EDGE investment pool				18,203,016
Commingled funds				17,049,275
Multistrategy hedge funds				4,903,639
Private equity funds				4,143,712
Private real estate funds				<u>4,337,387</u>
Total investments measured at NAV				<u>51,457,130</u>
Total assets				<u>\$ 183,682,640</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair values of U.S. government agency securities at December 31, 2025 were determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using interactive data, which uses other inputs, such as interest rates and yield curves, that are observable at commonly quoted

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

City of Auburn Hills
Notes to the Financial Statements
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At December 31, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Net Asset Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan CLASS investment pool	\$ 2,822,271	\$ -	No restrictions	None
Michigan CLASS EDGE investment pool	18,203,016	-	No restrictions	None
Commingled funds	17,049,275	-	Daily	Daily
Multistrategy hedge funds	4,903,639	-	Quarterly	95 days
Private equity funds	4,143,712	1,462,500	No restrictions	None
Private real estate funds	4,337,387	-	None - quarterly	None - 10 days
Total	<u>\$ 51,459,300</u>	<u>\$ 1,462,500</u>		

Michigan Class Investment Pool - The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated A-1 or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

Michigan Class Edge Investment Pool - The Michigan CLASS EDGE investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102 percent by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies. It has a rating of AAf/S1 from FitchRatings.

Commingled Funds - This type includes one commingled fund that invest in publicly traded domestic equity, international equity, or fixed income. 100 percent of the assets can be redeemed on a daily basis. All of the underlying securities within the commingled funds carry a Level 1 or Level 2 valuation.

Multistrategy Hedge Funds - This type invests in two hedge funds that pursues multiple strategies to diversify risks and reduce volatility. The hedge funds' portfolio for this type includes investments in approximately 47 percent global stocks, 26 percent global fixed income, and 27 percent balanced/global macro in the Pension Trust Fund and approximately 83 percent in private equity and real estate, 14 percent hedged investments, and 3 percent cash in the Retiree Health Care Trust Fund . The fair values of the investments in this type have been determined using NAV per share (or its equivalent) of the investments.

Private Equity Funds - This type includes two private equity fund that invest primarily in debt securities. The investments do not offer a stated redemption window. Instead, the nature of the investments in this type is that the distributions are received through the liquidation of the underlying assets of the funds. If these investments were held, it is expected that the underlying assets of the fund would be liquidated over one to eight years. However, as of December 31, 2024, it is probable that all of the investments in this type will be sold at an amount different from the net asset value per share (or its equivalent) of the Plan's ownership interest in partners' capital. Private Real Estate Funds - This type includes four real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 8 years. 100 percent of the total investment in this type is expected to be sold.

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However, the individual investments that will be sold have not yet been determined. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. The assets are able to be liquidated via a quarterly redemption queue of approximately 62 percent in the Pension Trust Fund and approximately 38 percent in the Retiree Health Care Trust Fund. The balance of the assets will be liquidated as underlying properties are sold or the investee fund's management approves of the buyer before the sale of the investments can be completed.

Note 4 - Restricted Assets

Restricted assets in the governmental activities represent cash held by the Auburn Hills Community Foundation (the Foundation) in the amount of \$110,905 that is reflective of donations made to the Foundation for the benefit of the City that are restricted for city capital projects. Restricted assets in the business-type activities are composed of the City's unspent bond proceeds held by Oakland County, Michigan (the County) for the improvement of the water and sewer system in the amount of \$1,410,247. The County holds these moneys to apply against future water and sewer system construction for the City. Additionally, restricted assets include a deposit held by North Oakland County Water Authority (NOCWA) in the amount of \$777,904. NOCWA is holding the deposit to cover future water expenses.

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Note 5 - Capital Assets

Capital assets activity of the primary government for the current year is as follows:

	Beginning Balance	Increases	Decreases	Reclass	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 5,648,991	\$ 493,601	\$ -	\$ -	\$ 6,142,592
Construction-in-progress	7,741,377	12,646,813	3,821,943	-	16,566,247
Total capital assets not being depreciated	<u>13,390,368</u>	<u>13,140,414</u>	<u>3,821,943</u>	<u>-</u>	<u>22,708,839</u>
Capital assets being depreciated					
Land improvements	3,919,384	1,999,766	-	-	5,919,150
Roads	114,727,070	2,671,018	-	-	117,398,088
Storm drains	7,713,816	-	-	-	7,713,816
Buildings, additions and improvements	24,339,538	311,698	-	-	24,651,236
Machinery and equipment	8,625,071	261,763	34,799	-	8,852,035
Vehicles	10,504,823	2,868,536	878,265	-	12,495,094
Office furnishings and equipment	437,192	37,703	6,793	-	468,102
Right to use asset - machinery and equipment	1,255,406	-	-	-	1,255,406
Right to use asset - subscription arrangements	615,497	23,491	-	-	638,988
Total capital assets being depreciated	<u>172,137,797</u>	<u>8,173,975</u>	<u>919,857</u>	<u>-</u>	<u>179,391,915</u>
Less accumulated depreciation for					
Land improvements	302,886	195,714	-	-	498,600
Roads	52,289,058	3,137,162	-	-	55,426,220
Storm drains	3,272,281	153,892	-	-	3,426,173
Buildings, additions and improvements	17,230,868	695,299	-	-	17,926,167
Machinery and equipment	6,612,750	664,173	34,799	400,000	7,642,124
Vehicles	6,954,990	1,363,110	878,265	(400,000)	7,039,835
Office furnishings and equipment	433,883	7,541	6,793	-	434,631
Right to use asset - machinery and equipment	83,694	125,541	-	-	209,235
Right to use asset - subscription arrangements	31,508	100,311	-	-	131,819
Total accumulated depreciation	<u>87,211,918</u>	<u>6,442,743</u>	<u>919,857</u>	<u>-</u>	<u>92,734,804</u>
Net capital assets being depreciated	<u>84,925,879</u>	<u>1,731,232</u>	<u>-</u>	<u>-</u>	<u>86,657,111</u>
Governmental activities net capital assets	<u>\$ 98,316,247</u>	<u>\$ 14,871,646</u>	<u>\$ 3,821,943</u>	<u>\$ -</u>	<u>\$ 109,365,950</u>

City of Auburn Hills
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December 31, 2025

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 8,325,776	\$ -	\$ -	\$ 8,325,776
Construction-in-progress	13,017,429	4,734,386	34,189	17,717,626
Total capital assets not being depreciated	<u>21,343,205</u>	<u>4,734,386</u>	<u>34,189</u>	<u>26,043,402</u>
Capital assets being depreciated				
Buildings, additions and improvements	12,038,106	723,701	-	12,761,807
Machinery and equipment	2,749,707	-	25,000	2,724,707
Water and sewer mains	109,773,588	699,947	-	110,473,535
Right to use asset - machinery and equipment	448,055	-	-	448,055
Total capital assets being depreciated	<u>125,009,456</u>	<u>1,423,648</u>	<u>25,000</u>	<u>126,408,104</u>
Less accumulated depreciation for				
Buildings, additions and improvements	8,989,122	522,987	-	9,512,109
Machinery and equipment	2,714,205	46,214	25,000	2,735,419
Water and sewer mains	43,386,077	2,270,592	-	45,656,669
Right to use asset - machinery and equipment	65,172	97,756	-	162,928
Total accumulated depreciation	<u>55,154,576</u>	<u>2,937,549</u>	<u>25,000</u>	<u>58,067,125</u>
Net capital assets being depreciated	<u>69,854,880</u>	<u>(1,513,901)</u>	<u>-</u>	<u>68,340,979</u>
Business-type capital assets, net	<u>\$ 91,198,085</u>	<u>\$ 3,220,485</u>	<u>\$ 34,189</u>	<u>\$ 94,384,381</u>

Capital assets activity of the component units for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Units				
Capital assets not being depreciated				
Land	\$ 8,353,465	\$ -	\$ -	\$ 8,353,465
Construction-in-progress	68,829	485,252	68,829	485,252
Total capital assets not being depreciated	<u>8,422,294</u>	<u>485,252</u>	<u>68,829</u>	<u>8,838,717</u>
Capital assets being depreciated				
Roads	36,470,409	-	-	36,470,409
Buildings, additions and improvements	27,349,738	123,888	-	27,473,626
Machinery and equipment	435,544	103,965	-	539,509
Land improvements	10,695,679	-	-	10,695,679
Total capital assets being depreciated	<u>74,951,370</u>	<u>227,853</u>	<u>-</u>	<u>75,179,223</u>
Less accumulated depreciation for				
Roads	16,678,729	956,187	-	17,634,916
Buildings, additions and improvements	12,305,497	733,846	-	13,039,343
Machinery and equipment	355,629	48,228	-	403,857
Land improvements	5,408,492	419,508	-	5,828,000
Total accumulated depreciation	<u>34,748,347</u>	<u>2,157,769</u>	<u>-</u>	<u>36,906,116</u>
Net capital assets being depreciated	<u>40,203,023</u>	<u>(1,929,916)</u>	<u>-</u>	<u>38,273,107</u>
Component units capital assets, net	<u>\$ 48,625,317</u>	<u>\$ (1,444,664)</u>	<u>\$ 68,829</u>	<u>\$ 47,111,824</u>

City of Auburn Hills
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Depreciation and amortization of right to use assets expenses were charged to programs of the primary government as follows:

Governmental activities	
General government	\$ 318,815
Public safety	518,940
Public works	3,631,515
Health, welfare and community development	194,588
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,778,885</u>
Total governmental activities	<u>6,442,743</u>
 Business-type activities	
Golf Course Fund	522,733
Water and Sewer Fund	<u>2,414,816</u>
 Total business-type activities	 <u>2,937,549</u>
 Total primary government	 <u>\$ 9,380,292</u>

Construction Commitments

The City had \$13,651,473 remaining construction commitments as of December 31, 2025.

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund Nonmajor enterprise funds
General Fund	\$ 1,656

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers reported in the fund financial statements are composed of the following:

Transfers In	Transfers Out			Total
	General Fund	Nonmajor governmental funds	Nonmajor enterprise funds	
General Fund	\$ -	\$ -	\$ 1,656	\$ 1,656
Major and Local Streets Fund	5,100,000	560,000	-	5,660,000
Nonmajor governmental funds	1,864,900	-	-	1,864,900
	\$ 6,964,900	\$ 560,000	\$ 1,656	\$ 7,526,556

The transfers from General Fund to the Major and Local Streets Fund were of unrestricted resources necessary to supplement Act 51 funds provided by the State of Michigan for road maintenance. The transfers from Nonmajor governmental funds to the Major and Local Streets Fund was due to a closure of the Wayne Disposal activities with any remaining fund balance used to supplement roads. The transfers from the General Fund to the Nonmajor governmental funds was to service debt.

City of Auburn Hills
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Note 7 - Leases

Lease Receivable

The City and its component units have ten significant agreements leasing ground and airspace for billboards, ground space for cell phone towers, buildings, office space, and parking spaces. The terms of these arrangements are as follows:

Description	Agreement Date	Lease Terms	Renewal Options	Payment Frequency	Amount	Interest Rate
Outfront Media - ground/air space	10/17/2016	20 years	None	Annual	\$ 45,000	1.80%
AT&T - ground space	10/15/2025	10 years	2 10-year terms, 1 5-year term	Annual	25,495	1.80%
Omnipoint - ground space	4/1/2004	5 years	5 5-year terms	Monthly	6,000	1.80%
Nextel - ground space	10/8/1997	10 years	2 10-year terms	Annual	15,017	1.80%
GTP - ground space	9/11/1997	30 years	6 5-year terms	Annual	21,130	1.80%
Verizon - ground space	8/18/1995	30 years	3 10-year terms	Monthly	1,966	1.80%
Library building	1/1/2022	10 years	None	Monthly	24,765	1.80%
Chamber office space	7/9/2025	3 years	None	Monthly	1,868 / 2,020	1.80%
Parking spaces	1/1/2017	60 months	None	Bi-annual	17,487 / 17,852	1.80%
Cranks building	3/1/2016	58 months	4 years	May-September	11,000	1.80%

The leases have varying rent escalation terms:

- GTP and Verizon ground space leases increase annually equal to the increase in CPI up to a maximum of 5%.
- AT&T and Nextel ground space leases increase annually based on general price levels up to a maximum of 5%.
- Omnipoint ground space lease increases 10% at each renewal.
- Library building increases 4% annually and includes a service component that was not practical to allocate.
- Chamber office space lease increases to \$1,943 per month on August 1, 2026 and to \$2,020 per month on August 1, 2027.

Note 8 - Subscription-Based Information Technology Arrangements (SBITA)

The City has entered into subscription-based information technology arrangements (SBITAs) involving various desktop subscriptions, body camera software, and security software.

The future subscription payments under SBITA agreements are as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2026	\$ 65,488	\$ 22,349
2027	68,561	19,274
2028	71,779	16,056
2029	50,638	12,783
2030	52,990	10,430
2031-2035	196,726	16,354
	<u>\$ 506,182</u>	<u>\$ 97,246</u>

City of Auburn Hills
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Note 9 - Long-Term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Compensated absences additions and reductions are reported net.

Long-term debt activity for the year ended December 31, 2025 can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
Bonds and notes payable							
General obligation bonds							
Capital Improvement Bonds, Series 2017 (LTGO) (2)	3.00%	\$450,000 - \$550,000	\$ 3,990,000	\$ -	\$ 450,000	\$ 3,540,000	\$ 465,000
Capital Improvement Bonds, Series 2021 (LTGO) (4)	2.0% - 3.0%	\$1,030,000-\$1,280,000	10,280,000	-	1,030,000	9,250,000	1,050,000
Total general obligation bonds			<u>14,270,000</u>	<u>-</u>	<u>1,480,000</u>	<u>12,790,000</u>	<u>1,515,000</u>
Special assessment obligations							
Special Assessment Bonds, Series 2017 (LTGO) (3)	2.25%	\$165,000	500,000	-	170,000	330,000	165,000
Notes from direct borrowings and direct placements							
State Revolving Fund Loan -							
Storm Water Management Retrofit (1)	2.50%	\$7,658 - \$10,000	57,658	-	7,658	50,000	10,000
State Revolving Fund Loan -							
Storm Water Management Galloway Drain (1)	2.50%	\$50,000 - \$60,000	330,000	-	50,000	280,000	55,000
Total notes from direct borrowings and direct placements			<u>387,658</u>	<u>-</u>	<u>57,658</u>	<u>330,000</u>	<u>65,000</u>
Premiums and discounts							
Unamortized premiums							
			1,174,533	-	142,584	1,031,949	142,584
Total bonds and notes payable			16,332,191	-	1,850,242	14,481,949	1,887,584
Leases							
Subscriptions			1,188,272	-	104,590	1,083,682	109,450
Compensated absences			572,340	-	66,158	506,182	65,488
			<u>1,432,913</u>	<u>369,928</u>	<u>-</u>	<u>1,802,841</u>	<u>1,068,660</u>
Total governmental activities			<u>\$ 19,525,716</u>	<u>\$ 369,928</u>	<u>\$ 2,020,990</u>	<u>\$ 17,874,654</u>	<u>\$ 3,131,182</u>

- (1) The principal repayment amounts for the Storm Water Management Retrofit and Galloway Drain projects represent 60 percent of the project costs, while 40 percent of the project costs qualified for principal forgiveness from the American Recovery and Reinvestment Act of 2009. Principal payments on both projects began in April 2011, and the loan repayments are amortized over 20 years with an interest rate of 2.5 percent.
- (2) In October 2017, the City issued Capital Improvement Bonds to fund a portion of the City's costs of improvements in three Special Assessment Districts (Pacific Drive, N. Atlantic and Continental Drives, and Deepwood Drive) and to fund the construction costs of other identified road, building, and facility improvements completed in 2018. The original issue amount was \$6,865,000. The final loan payment related to issuance is expected to be fiscal year 2032.
- (3) In October 2017, the City issued Special Assessment Bonds to fund a portion of the City's upfront costs of improvements in three Special Assessment Districts (Pacific Drive, N. Atlantic and Continental Drives, and Deepwood Drive). The original issue amount was \$1,655,000. The final loan payment related to issuance is expected to be fiscal year 2027. Payments on this debt is expected to be made with special assessment revenue collected from benefiting property owners.
- (4) In August 2021, the City issued Capital Improvement Bonds at a purchase price of \$14,588,209 to assist in funding the cost of construction improvements to several roads including all or parts of Auburn, Shimmons, Five Points, Harmon, Taylor, Bald Mountain, Paramount Estates, and the Canadian Subdivision. Also, this issue supports HVAC and roof replacements across City properties. All activity is expected to be completed by 2023. The original issue par amount of the bonds is \$13,240,000. The final loan payment related to issuance is expected to be fiscal year 2033.

City of Auburn Hills
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	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities							
Bonds and notes payable							
Direct borrowings and direct placements:							
Oakland-Macomb Interceptor Drain Bonds, Series 2010A (5)	2.50%	\$47,770 - \$54,051	\$ 352,575	\$ -	\$ 47,441	\$ 305,134	\$ 47,770
Oakland-Macomb Interceptor Drain Bonds, Series 2011A Segment 2 (6)	1.85%	\$54,592 - \$64,739	521,654	-	45,144	476,510	54,592
Oakland-Macomb Interceptor Drain Bonds, Financing source not finalized by Oakland County for OMID 2013A Segment 3 (7)	2.00%	\$115,767 - \$135,553	1,239,443	-	110,584	1,128,859	115,767
Oakland-Macomb Interceptor Drain Bonds, Series 2019A Refunding Bonds (5)	1.85%	\$14,215 - \$16,530	90,416	-	13,719	76,697	14,215
Oakland-Macomb Interceptor Drain Bonds, Series 2019B (10)	1.55%	\$ -	58,000	-	58,000	-	-
State Revolving Fund Loan - Sanitary Sewer Rehabilitation (8)	2.50%	\$70,000	415,000	-	65,000	350,000	70,000
Clinton River Water Resource Recover Facility - Drainage District Drain Bond, Series 2017 (SRF) (9)	2.50%	\$107,459 - \$141,580	1,709,281	-	105,107	1,604,174	107,459
CR - Water Resource Recovery Facility #5835 - 01 (11)	1.88%	\$108,834 - \$669,859	359,659	449,034	-	808,693	-
Evergreen Farmington (12)	1.88%	\$21,966 - \$210,478	235,366	188,435	-	423,801	-
CR - Water Resource Recovery Facility #5994 - 01 (13)	2.50%	\$98,569 - \$229,191	75,424	85,087	-	160,511	-
Total notes from direct borrowings and direct placements			5,056,818	722,556	444,995	5,334,379	409,803
Leases			363,854	-	81,143	282,711	90,505
Compensated absences			87,322	19,901	-	107,223	69,719
Total business-type activities			<u>\$ 5,507,994</u>	<u>\$ 742,457</u>	<u>\$ 526,138</u>	<u>\$ 5,724,313</u>	<u>\$ 570,027</u>

- (5) During 2009, the counties of Macomb and Oakland, Michigan jointly established the Oakland-Macomb Interceptor Drain - Drainage District (OMID), an intercounty drainage district, under Chapter 21 of the Drain Code. The OMID was created to acquire, operate, and maintain the Oakland-Macomb Interceptor (OMI); title to the OMI was transferred from the City of Detroit, Michigan to the OMID as part of a settlement agreement with the City of Detroit, Michigan reached in May 2009. The OMID apportioned the responsibility to pay the debt required to finance this project to the participating cities, townships, and villages located in the two counties. The OMID bond debt will be amortized over a 20-year period with an interest rate of 2.5 percent. The OMID 2010B debt has a 45 percent federal interest subsidy, which is reimbursed to the City semiannually. The OMID 2010B bond was refunded during 2020.
- (6) During 2011, additional bonds (Series 2011A) were issued through the State's revolving fund loans for Segment 2 of the OMID project. The state revolving fund loan is for a 20-year period with a fixed interest rate of 2.5 percent. The City will have a level debt service payment of approximately \$66,400 for principal and interest for the loan duration. The final loan payment related to this issuance will be in fiscal year 2033.
- (7) Beginning in 2012 as part of Oakland-Macomb Interceptor Drain project, Oakland County, Michigan commenced with Segment 3 of the project. The tentative estimated cost of this segment is \$65,140,000. The City's pro rata share of the project is approximately 3.47 percent, which resulted in the City's share of the debt being approximately \$2.26 million. The City will have a level debt service payment of approximately \$138,300 for principal and interest for the loan duration. The final loan payment related to this issuance will be in fiscal year 2034.
- (8) The principal repayment amounts for the Sanitary Sewer Rehabilitation represent 60 percent of the total project costs, as 40 percent of the project cost qualified for principal forgiveness from the American Recovery and Reinvestment Act of 2009. The first principal payment on this project was paid in April 2011. The loan repayments are amortized over 20 years with an interest rate of 2.5 percent.
- (9) During 2017, the Clinton River Water Resource Recovery Facility Drainage District sold Drain Bonds Series 2017 for the Biosolids Handling and Septage Receiving Facility Project that spans the Oakland County community. This debt reflects the City's 6.124 percent share of this project. The project is in progress at December 31, 2025. The final payment related to this debt is expected in 2038.

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- (10) During 2020, as part of the Oakland-Macomb Interceptor Drain project, Oakland County, Michigan and the Great Lakes Water Authority (GLWA) commenced rehabilitation and construction of certain wastewater facilities. This debt reflects the City's 4.9750 percent share of the project. The first principal payment on this project was paid in September 2020. The final payment related to this debt occurred in 2025.
- (11) During 2023, the Clinton River Water Resource Recovery Facility Drainage District issued drain bonds through the State of Michigan CWSRF Program. The project intends to upgrade and replace aging electrical infrastructure at the CRWRRF. The debt issued spans the Oakland County community. This debt reflects the City's 5.257 percent share for this project. The first principal payment on this project will be paid in October 2027 at an interest rate of 1.875%. The final payment related to this debt is expected in 2046.
- (12) During 2023, the Evergreen Farmington Sanitary Drain Drainage District issued drain bonds with the Clean Water State Revolving Fund (CWSRF) which includes a 10% principal forgiveness of 10% of the amount financed. It is a draw based loan. The project is to increase the outlet capacity of the Evergreen Farmington Sewage Disposal System to the Great Lakes Water Authority. This debt reflects the City's 0.48457 percent share for this project. The first principal payment on this project will be paid in October 2027 at an interest rate of 1.875%. The final payment related to this debt is expected in 2046.
- (13) During 2024, the city was assigned a 5.2570% apportionment of debt for the Clinton River Water Resource Recovery Facility Drainage District for work on the Optimization Project which includes additions and refurbishments to improve the Facility's treatment capacity and secondary clarifier processes. The estimate cost of the total project is not to exceed \$65,200,000. Bonds will be issued at 2.5% and the City of Auburn Hills was apportioned \$3,427,564.

Component units	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes from direct borrowings and direct placements							
Michigan Department of Environmental Quality Loan (14)	1.5%	\$50,882 - \$54,004	\$ 312,287	-	\$ 50,130	\$ 262,157	\$ 50,882

- (14) In 2016, the Brownfield Redevelopment Authority received a loan from the Michigan Department of Environmental Quality (MDEQ) to fund a redevelopment project. The redevelopment project will be completed by a developer. The Brownfield Redevelopment Authority entered into a loan agreement with the developer for the same amount of the MDEQ loan. The developer will draw down the funds from the Brownfield Redevelopment Authority in the future and will repay the loan through tax increment revenue. The final loan payment for this debt will be in fiscal year 2030.

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Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending December 31,	Governmental Activities			
	Other Debt		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2026	\$ 1,680,000	\$ 355,943	\$ 65,000	\$ 7,438
2027	1,710,000	314,256	65,000	5,813
2028	1,590,000	268,050	65,000	4,188
2029	1,640,000	219,600	65,000	2,563
2030	1,690,000	169,650	70,000	875
2031-2035	4,810,000	202,650	-	-
	<u>\$ 13,120,000</u>	<u>\$ 1,530,149</u>	<u>\$ 330,000</u>	<u>\$ 20,877</u>
			Component Units	
	Business-type Activities		Notes from Direct Borrowings and Direct Placements	
	Notes from Direct Borrowings and Direct Placements		Principal	Interest
	Principal	Interest	Principal	Interest
2026	\$ 409,803	\$ 118,273	\$ 50,882	\$ 3,932
2027	548,678	118,517	51,645	3,169
2028	1,246,905	77,470	52,420	2,394
2029	558,885	64,578	53,206	1,608
2030	570,477	38,378	54,004	810
2031-2035	2,092,588	62,197	-	-
2036-2040	1,239,519	-	-	-
2041-2045	714,426	-	-	-
2046-2049	229,191	-	-	-
	<u>7,610,472</u>	<u>\$ 479,413</u>	<u>\$ 262,157</u>	<u>\$ 11,913</u>
Less: undrawn maturities	<u>(2,276,093)</u>			
	<u>\$ 5,334,379</u>			

Component Units

Excluded from the component unit long-term debt are revenue bonds issued by the Economic Development Corporation to acquire and lease property to third parties. The revenue bonds issued are payable solely from the net revenue derived from the respective leases and are not a general obligation of the City. After these bonds are issued, all financial activity is taken over by the paying agent. The bonds and related lease contracts are not reflected in the City's financial statements. As of December 31, 2025, there were five series of Economic Development Corporation bonds outstanding. The aggregate principal amount outstanding could not be determined. However, the bonds' original issue amounts totaled \$16,850,000.

City of Auburn Hills
Notes to the Financial Statements
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Note 10 - Net Investment in Capital Assets

The composition of net investment in capital assets as of year end, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets			
Capital assets not being depreciated	\$ 22,708,839	\$ 26,043,402	\$ 8,838,717
Capital assets, net of accumulated depreciation	86,657,111	68,340,979	38,273,107
Total capital assets	109,365,950	94,384,381	47,111,824
Restricted assets	-	1,410,247	-
Related debt			
General obligation bonds	(12,790,000)	-	-
Special assessment obligations	(330,000)	-	-
Notes from direct borrowing and direct placements	(330,000)	(5,334,379)	-
Retainage	(734,145)	(130,154)	-
Leases	(1,083,682)	(282,711)	-
Subscriptions	(506,182)	-	-
Unamortized bond premiums	(1,031,949)	-	-
Total related debt	(16,805,958)	(5,747,244)	-
Net investment in capital assets	\$ 92,559,992	\$ 90,047,384	\$ 47,111,824

Note 11 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City participates in the Michigan Municipal League (risk pool) for claims relating to workers' compensation. The City is self-insured for prescriptions. The City records prescription charges incurred through the end of the fiscal year. In 2004, the City became self-insured for property damage to city vehicles under \$75,000. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past 10 years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 12 - Pension Plans

Plan Description - The City of Auburn Hills Pension Board of Trustees (the Pension Board) administers the City of Auburn Hills Employee Pension Plan, a single-employer defined benefit pension plan that provides pensions to all full-time employees hired prior to 1998. The plan is closed to new employees. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

Management of the plan is vested in the Pension Board, which consists of seven members: the mayor, city manager, city clerk, finance director, and three union representatives.

City of Auburn Hills
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The City established a defined contribution plan as a complementary plan to the defined benefit pension plan. The City Council has authority over plan provisions and contribution requirements. Each union group negotiated a City match to their contribution. Currently, the City provides for a contribution up to 4% of regular wage to Police employees contributions up to 3%. No other groups have defined benefit members or are eligible by bargaining contract to receive a City match to their contribution. As the defined benefit plans closed to all groups, anyone hired after January 1, 2000 had only the defined contribution plan available to them. Those without a defined benefit plan receive a 9% contribution from the City. Additionally, the City contributes 3% more if the employee contributes at least 3%.

The City established a 457 plan as well. Employees may make voluntary contributions to this plan in addition to the 401K plan. The City does contribute to the 457 for employees for those group who have bargained such contribution in lieu of contributions to a RHS plan or for those groups who take advantage of nominal employer contribution the employee contributes the same amount.

For the year ended December 31, 2025, the City contributed \$1,978,522.

Benefits Provided - The City of Auburn Hills Employee Pension Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefit terms are established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process. The benefits are defined as follows:

Unit	Multiplier	Max.	Final Avg. Comp	Member Contribution	Percent	Start	Max
Admin	2.65%	80%	Final 5	6%	2.5%	55	15 years
Police officers	2.80% up to 25 years; 1% Thereafter	80%	5 highest consecutive	7%	2.5%	50 (a)	15 years
Police command	2.80%	80%	5 highest consecutive	5%	2.5%	50	15 years
Detectives	2.80%	80%	5 highest consecutive	5%	2.5%	50	15 years
Dispatch	2.65%	YOS limited to 34 years	5 highest consecutive	6%	2.5%	55	15 years
IA fire	2.65%	80%	Highest 3 of final 5	5%	2.5%	55	15 years
PT fire	(b)	80%	N/A	N/A	N/A	55	15 years

(a) Normal retirement is either 25 years of service or age 50 with 15 years of service; an officer with 25 years of service could have normal retirement prior to age 50 and would begin receiving benefit increases each January 1 following one year of retirement.

(b) \$5 per month for each year of service prior to January 1, 1988; \$10 per month for each year of service after January 1, 1988.

City of Auburn Hills
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Deferred Retirement Annual Amount - Computed as service retirement but based upon service, average final compensation (AFC), and benefit multiplier in effect at termination. Benefits begin at the date retirement would have occurred had the member remained in employment.

Death after Retirement Annual Amount - Surviving spouse receives the excess of member contributions with interest over the total of benefits paid.

Death in Service Annual Amount - Surviving beneficiary receives 100 times the projected monthly benefit.

Disability Annual Amount - With long-term disability - the greater of a member's accrued benefit or 60 percent of the projected benefit, based on AFC at the date of disability and years of service until earliest retirement (payable at age 65). Without long-term disability - the accrued benefit is payable immediately with 10 years of service if age 40.

Employees Covered by Benefit Terms – At the December 31, 2023 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	130
Inactive employees entitled to, but not yet receiving benefits	5
Active employees	<u>4</u>
	<u><u>139</u></u>

Contributions - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the Pension Board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the Pension Board in accordance with the City's collective bargaining units. The system contribution from employees is detailed in the table below. For the year ended December 31, 2025, the City made the actuarially determined contribution of \$965,670 into a prefunded pension trust, which is reported in this financial statement as a pension and other postemployment benefit trust fund type.

Net Pension Liability - The City has chosen to use December 31, 2025 as its measurement date for the net pension liability. The December 31, 2025 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2025 measurement date. The December 31, 2025 measurement date total pension liability was determined by an actuarial valuation performed as of December 31, 2023 that has used procedures to roll the information forward to the measurement date.

Actuarial Assumptions - The total pension liability was determined using the following actuarial assumptions applied to all periods included in the measurement:

- Inflation: 2.25 percent
- Salary increases (including inflation): 3.5 percent
- Investment rate of return (net of investment expense): 6.25 percent
- Mortality rates: Pub-2010 Mortality Table with Generational Projection per MP-2021, with PubS-2010 tables for public safety groups and PubS-2010 tables for all others

City of Auburn Hills
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Investment Rate of Return - The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Cash	1.00%	0.85%
US Core Fixed Income	22.00%	2.33%
Private Credit	7.00%	6.57%
US Large Cap Equity	22.00%	5.47%
US Small & Mid Cap Equity	14.00%	5.80%
Foreign Developed Equity	15.00%	6.35%
Private Real Estate Property	9.00%	5.91%
Hedge Funds	10.00%	2.48%

Rate of return - For the year ended December 31, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 10.56 percent. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Discount rate - The discount rate used to measure the total pension liability was 6.25 percent in the December 31, 2025 roll forward valuation, which was an increase of zero percent from the prior year's discount rate which was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

City of Auburn Hills
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Changes in the net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2024	\$ 67,472,721	\$ 59,664,699	\$ 7,808,022
Changes for the year			
Service cost	84,627	-	84,627
Interest on total pension liability	4,069,212	-	4,069,212
Employer contributions	-	965,670	(965,670)
Employee contributions	-	7,948	(7,948)
Net investment income (loss)	-	6,080,611	(6,080,611)
Benefit payments and refunds	(4,975,298)	(4,975,298)	-
Administrative expense	-	(32,119)	32,119
Net changes	(821,459)	2,046,812	(2,868,271)
Balances as of December 31, 2025	\$ 66,651,262	\$ 61,711,511	\$ 4,939,751

Sensitivity of the net pension liability to changes in the discount rate -The following presents the net pension liability of the employer, calculated using the discount rate of 6.25%, as well as what the employer's net pension liability would be using a discount rate that is 1% point lower (5.25%) or 1% higher (7.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 12,109,545	\$ 4,939,751	\$ (1,083,625)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions - For the year ended December 31, 2025, the employer recognized pension expense of \$262,837. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources
Net difference between projected and actual earning on plan investments	\$ (2,381,772)

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2026	\$ 451,033
2027	(1,466,860)
2028	(870,276)
2029	(495,669)
	\$ (2,381,772)

Detailed information about the plan’s fiduciary net position is not available in a separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plan’s fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with benefit terms.

Note 13 - Other Postemployment Benefits

Plan Description - The Auburn Hills Retiree Healthcare Board provides postemployment benefits other than pensions (OPEB) to eligible former City Council members and retired employees and eligible dependents, as well as to certain retirees and eligible dependents of the Auburn Hills Public Library. The benefits are provided through the Auburn Hills Retiree Health Care Plan, a cost-sharing defined OPEB plan administered by the Auburn Hills Retiree Health Care Plan Board. There are two participating employers in the plan, the City of Auburn Hills, Michigan and the Auburn Hills Public Library (the "Library").

The financial statements of the OPEB plan are included in these financial statements as a pension and other postemployment benefit funds (a fiduciary fund).

Management of the plan is vested in the Retiree Healthcare Board, which consists of seven members: the mayor, city manager, city clerk, finance director, and three union representatives.

Benefits provided - The Auburn Hills Retiree Health Care Plan provides health care, dental, and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and generally the full cost of the benefits is covered by the plan. The City is self-insured for prescriptions, and the full cost of benefits is covered by the plan. As of January 1, 2012, the plan was closed to new entrants.

Employees covered by benefit terms - As of December 31, 2023, the most recent valuation date, the plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	107
Inactive employees entitled to, but not yet receiving benefits	1
Active employees	54
	162

Contributions - The City Code grants the authority to establish and amend the contribution requirements of the City and employees to the board. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the year ended December 31, 2025, the City paid postemployment

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

health care premiums of \$279,766, and contributed \$0 into a prefunded retiree health care fund, which is reported in these financial statements as a pension and other employee benefit trust fund type. Employees are not required to contribute to the plan.

Net OPEB Asset - The net OPEB asset of \$1,388,714 has been allocated separately to the City and to the Library. A special funding situation does not exist in accordance with Governmental Accounting Standards Board Statement No. 75, and, therefore, the City has not recorded the Library's proportionate share of the net OPEB asset. The City's proportionate share of the net OPEB asset is \$1,340,511 at December 31, 2025. At December 31, 2025, the City's proportionate share was 96.53 percent, based on the City's number of plan members as a percentage of the plan's total members. At December 31, 2024, the prior measurement date, the City's proportionate share was 97.19 percent, or a 0.66 percent change.

The City has chosen to use the December 31, 2025 measurement date as its measurement date for the net OPEB asset. The December 31, 2025 fiscal year end reported net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2025 measurement date. The December 31, 2025 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2023, which used update procedures to roll forward the liability to December 31, 2025.

Actuarial assumptions - The total OPEB liability in the December 31, 2025 actuarial valuation was determined using an investment rate of return (net of investment expenses) of 6.25 percent; a health care cost trend rate of 5.9 percent for 2025, decreasing to an ultimate rate of 3.9 percent over 48 years for pre-Medicare participants, and a health care cost trend rate of 6.3 percent for 2025, decreasing to an ultimate rate of 3.9 percent over 48 years for post-Medicare participants; and mortality rates based on the PubG-2010 with Generational Projection per MP-2021.

Discount rate - The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best-estimates of geometric real rates of return as of the December 31, 2025 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Cash	1.00%	0.85%
US Core Fixed Income	29.00%	2.33%
US Large Cap Equity	28.00%	5.47%
US Small & Mid Cap Equity	12.00%	5.80%
Foreign Developed Equity	16.00%	7.00%
Private Real Estate Property	9.00%	5.91%
Hedge Funds	5.00%	2.48%

City of Auburn Hills
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December 31, 2025

Rate of return - For the year ended December 31, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 11.44%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Changes in the net OPEB liability were as follows:

	Increase (Decrease)		Net OPEB (Asset) Liability (a) - (b)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	
Balances as of December 31, 2024	\$ 32,236,912	\$ 32,156,541	\$ 80,371
Changes for the year			
Service cost	372,544	-	372,544
Interest on total OPEB liability	1,988,321	-	1,988,321
Employer contributions	-	279,766	(279,766)
Net investment income (loss)	-	3,582,502	(3,582,502)
Benefit payments and refunds	(1,617,134)	(1,617,134)	-
Administrative expense	-	(32,318)	32,318
Net changes	743,731	2,212,816	(1,469,085)
Balances as of December 31, 2025	\$ 32,980,643	\$ 34,369,357	\$ (1,388,714)

Plan fiduciary net position as a percentage of the total OPEB liability is 104.21%.

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the net OPEB (asset) liability of the City, as well as what the City's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1% lower (5.25%) or 1% higher (7.25%) than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB (asset) liability	\$ 2,869,762	\$ (1,388,714)	\$ (4,887,499)
City's proportionate share	2,770,755	(1,340,511)	(4,718,880)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB (asset) liability	\$ (5,510,230)	\$ (1,388,714)	\$ 3,648,084
City's proportionate share	(5,320,127)	(1,340,511)	3,522,225

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB - For the year ended December 31, 2025, the City recognized OPEB expense of \$(1,065,743). The City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Net difference between projected and actual earning on plan investments	\$ <u>(797,385)</u>
City's share	\$ (769,192)
Library's share	<u>(28,193)</u>
	<u>\$ (797,385)</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	
2026	508,703
2027	(471,627)
2028	(511,470)
2029	<u>(322,991)</u>
	<u>\$ (797,385)</u>

Detailed information about the plan's fiduciary net position is not available in a separately issued financial report. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with benefit terms.

The City also provides retiree health care benefits to employees ineligible for the defined benefit retiree health care plan through the Retiree Health Savings (RHS) Plan. All employee units are vested after 10 years, with the exception of the fire unit, which is vested after five years with the City. The City Council has authority over plan provisions and contribution requirements. For the non-bargaining administrative group, the City is required to contribute 3 percent of total salaries and the employees of this group must contribute 3 percent of their salaries. All bargaining units negotiated a 3 to 4 percent contribution into a 457 plan in lieu of the RHS. During the year ended December 31, 2025, the City made contributions of \$64,982.

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

Note 14 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the individual pension plans and postemployment health care plans:

	Pension Trust Fund	Retiree Health Care Trust Fund
Statement of Net Position		
Cash and cash equivalents	\$ 864,815	\$ 655,009
Investments	60,843,771	33,711,979
Other assets	2,925	2,371
	61,711,511	34,369,359
Accounts payable	14,262	7,014
Net position	\$ 61,697,249	\$ 34,362,345
	Pension Trust Fund	Retiree Health Care Trust Fund
Statement of Changes in Net Position		
Investment income	\$ 6,120,003	\$ 3,612,017
Contributions	973,618	279,766
Miscellaneous	421	(9,611)
Benefit payments	(4,975,298)	(1,617,134)
Administrative expense	(86,194)	(59,234)
Net change in net position	\$ 2,032,550	\$ 2,205,804

Note 15 - Tax Abatements

The City offers property tax incentives to promote economic activity, increase and retain employment, and provide incentives for investment in property that increase the tax base of the City. The more significant property tax abatements, as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, that occurred during fiscal year 2025 are as follows:

The City uses the New Facility Industrial Facilities Exemption Certificate (IFEC) to enter into agreements with local businesses for industrial real property and land improvements, other than a replacement facility to be built or installed in a plant rehabilitation district or industrial development district by an existing business or new business, as provided in PA 198 of 1974. The minimum investment in a facility shall have an estimated construction value of \$2,000,000. Under the program, the City grants reductions of 50 percent of the property tax bill for real property for up to 12 years. As a condition of receiving the IFEC pursuant to city policy, the business agrees to operate the facility for which the certificate is granted for the term of the certificate plus an additional term after the date of expiration of the certificate equal to one year of business residency per abated year. If a business vacates or fails to operate the facility for which the certificate is granted, then it shall be liable for repayment of any property tax savings benefiting the business due to the existence of the certificate, beginning with the initial effective year of the certificate. For the fiscal year ended December 31, 2025, the City abated approximately \$501,307 of taxes under this program.

City of Auburn Hills
Notes to the Financial Statements
December 31, 2025

The City has a payment in lieu of taxes agreement with a business that provides housing for elderly citizens of low and moderate income, which is federally aided or statute authority aided in accordance with the State Housing Development Act of 1966, as provided in PA 346 of 1966. Under this program, the property pays 6 percent of rental income to the City in lieu of taxes. The tax-exempt status of the property shall be rescinded when the authority no longer has an interest in the property. For the fiscal year ended December 31, 2025, the City abated approximately \$88,561 of taxes under this program.

Finally, the Brownfield Redevelopment Authority, a discretely presented component unit, uses brownfield redevelopment agreements under PA 381 of 1996 to capture property taxes within the brownfield area and then uses those captures to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the City's tax revenue is reduced as this revenue is captured by the Brownfield Redevelopment Authority. For the fiscal year ended December 31, 2025, the Brownfield Redevelopment Authority captured approximately \$397,000 of city taxes, in addition to captures from other taxing jurisdictions. Additionally, this captured brownfield revenue must, by agreement, be used in part to reimburse developers.

Note 16 - Joint Venture

The City is a member of the North Oakland County Water Authority, which provides joint management of the four member communities' water systems. Each of the four member communities appoints one member to the governing body. During the year ended December 31, 2025, the City contributed \$5,171,223 to pay water obligations. Additionally, during 2015, the City deposited \$776,610 with NOCWA to cover two months' worth of expenses in the event the City fails to pay that has been recorded as a restricted asset. There are no financial statements available for the authority for the year ended December 31, 2025.

City of Auburn Hills
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes				
Property taxes	\$ 23,623,000	\$ 23,623,000	\$ 24,142,391	\$ 519,391
Penalties and interest	11,500	11,500	18,508	7,008
Administration fee	1,033,179	1,033,179	1,130,114	96,935
Special assessments	352,280	352,280	1,202,506	850,226
Licenses and permits	1,093,200	1,093,200	1,585,164	491,964
Federal grants	43,413	1,054,500	115,432	(939,068)
State-shared revenue	4,306,859	4,306,859	5,651,970	1,345,111
State grants	561,803	561,803	986,942	425,139
Local contributions	382,857	382,857	960,854	577,997
Charges for services	4,384,152	4,394,152	4,587,740	193,588
Fines and forfeitures	218,000	218,000	226,161	8,161
Rental income	371,546	371,546	356,546	(15,000)
Investment income	2,876,329	2,876,329	3,619,605	743,276
Other revenue	393,820	393,820	573,503	179,683
Total revenues	39,651,938	40,673,025	45,157,436	4,484,411
Expenditures				
General government				
City Council	128,474	128,474	109,813	(18,661)
City manager	780,474	780,474	727,798	(52,676)
Clerk	320,519	327,519	313,887	(13,632)
Information technology/data processing	748,610	757,810	514,359	(243,451)
Treasurer	871,855	842,855	695,835	(147,020)
Assessing	421,455	424,655	389,685	(34,970)
Facilities	1,966,485	1,972,824	1,718,123	(254,701)
Human resources	394,673	398,673	349,131	(49,542)
Pension board	10,647	10,647	10,506	(141)
Grounds	1,627,107	1,650,483	1,604,746	(45,737)
Capital improvements	-	1,214,217	1,291,393	77,176
General administration	1,462,234	1,356,512	1,167,520	(188,992)
Total general government	8,732,533	9,865,143	8,892,796	(972,347)
Public safety				
Police	8,560,066	8,359,466	7,929,615	(429,851)
Police administration	2,823,370	2,902,599	2,767,917	(134,682)
Fire suppression	1,791,052	2,005,306	1,917,853	(87,453)
Fire prevention	554,898	554,898	504,840	(50,058)
Fire administration	831,004	4,204,083	2,518,110	(1,685,973)
Building services	1,334,800	1,258,245	1,177,118	(81,127)
Total public safety	15,895,190	19,284,597	16,815,453	(2,469,144)
Public works				
DPW management services	678,020	694,020	682,568	(11,452)
Stormwater drainage	401,733	401,734	106,615	(295,119)
Total public works	1,079,753	1,095,754	789,183	(306,571)

See Accompanying Notes to Required Supplementary Information

City of Auburn Hills
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Health, welfare and community development				
Ambulance	\$ 4,276,506	\$ 4,405,226	\$ 4,318,543	\$ (86,683)
Community development administration	311,655	318,852	300,424	(18,428)
Senior citizens	793,013	914,313	754,991	(159,322)
SMART grant	134,005	137,505	124,768	(12,737)
Total health, welfare and community development	<u>5,515,179</u>	<u>5,775,896</u>	<u>5,498,726</u>	<u>(277,170)</u>
Recreation and culture				
Recreation	534,498	400,148	388,463	(11,685)
Parks maintenance	1,416,188	1,371,638	830,850	(540,788)
Total recreation and culture	<u>1,950,686</u>	<u>1,771,786</u>	<u>1,219,313</u>	<u>(552,473)</u>
Debt service				
Principal retirement	77,984	77,984	228,406	150,422
Interest and fiscal charges	13,061	13,061	13,061	-
Total debt service	<u>91,045</u>	<u>91,045</u>	<u>241,467</u>	<u>150,422</u>
Total expenditures	<u>33,264,386</u>	<u>37,884,221</u>	<u>33,456,938</u>	<u>(4,427,283)</u>
Excess (deficiency) of revenues over expenditures	<u>6,387,552</u>	<u>2,788,804</u>	<u>11,700,498</u>	<u>8,911,694</u>
Other financing sources (uses)				
Transfers in	-	-	1,656	1,656
Transfers out	(10,322,900)	(12,029,900)	(6,964,900)	5,065,000
Sale of capital assets	1,000	1,000	42,537	41,537
Total other financing sources (uses)	<u>(10,321,900)</u>	<u>(12,028,900)</u>	<u>(6,920,707)</u>	<u>5,108,193</u>
Net change in fund balance	(3,934,348)	(9,240,096)	4,779,791	14,019,887
Fund balance - beginning of year	<u>58,482,360</u>	<u>58,482,360</u>	<u>58,482,360</u>	<u>-</u>
Fund balance - end of year	<u>\$ 54,548,012</u>	<u>\$ 49,242,264</u>	<u>\$ 63,262,151</u>	<u>\$ 14,019,887</u>

See Accompanying Notes to Required Supplementary Information

City of Auburn Hills
Required Supplementary Information
Budgetary Comparison Schedule
Major and Local Streets
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
State grants	\$ 3,218,626	\$ 3,218,626	\$ 5,066,655	\$ 1,848,029
Local contributions	2,820,000	2,820,000	1,919,330	(900,670)
Investment income	27,156	27,156	109,791	82,635
Other revenue	53,274	53,274	110,521	57,247
 Total revenues	 <u>6,119,056</u>	 <u>6,119,056</u>	 <u>7,206,297</u>	 <u>1,087,241</u>
Expenditures				
Current				
Street and public improvements	<u>15,136,173</u>	<u>19,148,111</u>	<u>14,602,122</u>	<u>(4,545,989)</u>
 Excess of revenues (deficiency) over expenditures	 <u>(9,017,117)</u>	 <u>(13,029,055)</u>	 <u>(7,395,825)</u>	 <u>5,633,230</u>
Other financing sources (uses)				
Transfers in	<u>9,018,000</u>	<u>10,725,000</u>	<u>5,660,000</u>	<u>(5,065,000)</u>
 Net change in fund balance	 883	 (2,304,055)	 (1,735,825)	 568,230
Fund balance - beginning of year	<u>2,306,569</u>	<u>2,306,569</u>	<u>2,306,569</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,307,452</u>	<u>\$ 2,514</u>	<u>\$ 570,744</u>	<u>\$ 568,230</u>

See Accompanying Notes to Required Supplementary Information

City of Auburn Hills
Required Supplementary Information
Employee Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal year ended December 31,	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$ 84,627	\$ 81,765	\$ 159,490	\$ 154,625	\$ 322,587
Interest	4,069,212	4,004,068	3,991,986	4,039,702	3,830,500
Experience differences	-	1,887,789	-	(337,715)	481,264
Changes in assumptions	-	-	(1,722,506)	(23,747)	(6,253,413)
Benefit payments and refunds	(4,975,298)	(4,894,287)	(4,749,215)	(4,520,106)	(4,304,443)
Net change in total pension liability	(821,459)	1,079,335	(2,320,245)	(687,241)	(5,923,505)
Total pension liability - beginning	67,472,721	66,393,386	68,713,631	69,400,872	75,324,377
Total pension liability - ending (a)	\$ 66,651,262	\$ 67,472,721	\$ 66,393,386	\$ 68,713,631	\$ 69,400,872
Plan fiduciary net position					
Employer contributions	\$ 965,670	\$ 978,168	\$ 992,461	\$ 2,055,950	\$ 1,586,293
Employee contributions	7,948	19,424	30,219	36,293	52,261
Net investment income (loss)	6,080,611	5,388,451	6,215,466	(5,821,496)	7,308,103
Benefit payments and refunds	(4,975,298)	(4,894,287)	(4,749,215)	(4,520,106)	(4,304,443)
Administrative expense	(32,119)	(35,083)	(33,108)	(73,394)	(55,770)
Net change in plan fiduciary net position	2,046,812	1,456,673	2,455,823	(8,322,753)	4,586,444
Plan fiduciary net position - beginning	59,664,699	58,208,026	55,752,203	64,074,956	59,488,512
Plan fiduciary net position - ending (b)	\$ 61,711,511	\$ 59,664,699	\$ 58,208,026	\$ 55,752,203	\$ 64,074,956
Net pension liability (a-b)	\$ 4,939,751	\$ 7,808,022	\$ 8,185,360	\$ 12,961,428	\$ 5,325,916
Plan fiduciary net position as a percentage of total pension liability	92.59%	88.43%	87.67%	81.14%	92.33%
Covered payroll	\$ 191,888	\$ 360,723	\$ 547,800	\$ 677,377	\$ 1,092,276
Net pension liability as a percentage of covered payroll	2,574.29%	2,164.55%	1,494.22%	1,913.47%	487.60%

See Accompanying Notes to Required Supplementary Information

City of Auburn Hills
Required Supplementary Information
Employee Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal year ended December 31,	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 341,012	\$ 443,110	\$ 624,297	\$ 591,358	\$ 842,510
Interest	3,828,935	3,840,887	3,873,213	3,664,089	3,459,438
Experience differences	660,370	1,082,585	-	290,536	(1,807,601)
Changes in assumptions	4,296,374	(1,394,259)	(1,437,482)	5,467,388	(9,027,540)
Benefit payments and refunds	(4,104,733)	(3,821,541)	(3,593,596)	(3,762,724)	(3,189,841)
Net change in total pension liability	5,021,958	150,782	(533,568)	6,250,647	(9,723,034)
Total pension liability - beginning	70,302,419	70,151,637	70,685,205	64,434,558	74,157,592
Total pension liability - ending (a)	\$ 75,324,377	\$ 70,302,419	\$ 70,151,637	\$ 70,685,205	\$ 64,434,558
Plan fiduciary net position					
Employer contributions	\$ 2,014,732	\$ 1,702,433	\$ 765,611	\$ 1,034,387	\$ 1,093,400
Employee contributions	67,512	81,344	115,417	106,629	108,915
Net investment income (loss)	5,951,307	8,950,504	(933,112)	6,181,445	2,851,238
Benefit payments and refunds	(4,104,733)	(3,821,541)	(3,593,596)	(3,762,724)	(3,189,841)
Administrative expense	-	(73,524)	-	-	-
Net change in plan fiduciary net position	3,928,818	6,839,216	(3,645,680)	3,559,737	863,712
Plan fiduciary net position - beginning	55,559,694	48,720,478	52,366,158	48,806,421	47,942,709
Plan fiduciary net position - ending (b)	\$ 59,488,512	\$ 55,559,694	\$ 48,720,478	\$ 52,366,158	\$ 48,806,421
Net pension liability (a-b)	\$ 15,835,865	\$ 14,742,725	\$ 21,431,159	\$ 18,319,047	\$ 15,628,137
Plan fiduciary net position as a percentage of total pension liability	78.98%	79.03%	69.45%	74.08%	75.75%
Covered payroll	\$ 1,178,201	\$ 1,446,223	\$ 1,669,155	\$ 1,787,161	\$ 2,039,201
Net pension liability as a percentage of covered payroll	1,344.07%	1,019.40%	1,283.95%	1,025.04%	766.39%

See Accompanying Notes to Required Supplementary Information

City of Auburn Hills
Required Supplementary Information
Employee Pension Plan
Schedule of Employer Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 1,093,400	\$ 1,093,400	\$ -	\$ 2,039,201	53.62%
2017	1,034,387	1,034,387	-	1,787,161	57.88%
2018	765,611	765,611	-	1,669,155	45.87%
2019	1,230,563	1,730,563	(500,000)	1,446,223	119.66%
2020	1,514,732	2,014,732	(500,000)	1,178,201	171.00%
2021	1,298,526	1,586,293	(287,767)	1,092,276	145.23%
2022	1,055,948	2,055,950	(1,000,002)	677,377	303.52%
2023	992,461	992,461	-	547,800	181.17%
2024	978,168	978,168	-	360,723	271.17%
2025	965,670	965,670	-	191,888	503.25%

See Accompanying Notes to Required Supplementary Information

City of Auburn Hills
Required Supplementary Information
Employee Pension Plan
Schedule of Investment Returns

Fiscal Year Ended December 31,	Money-weighted Rate of Return
2016	6.30%
2017	16.92%
2018	-1.83%
2019	18.96%
2020	10.90%
2021	12.57%
2022	-9.24%
2023	11.55%
2024	9.61%
2025	10.56%

City of Auburn Hills
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios

Fiscal year ended December 31,	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 372,544	\$ 433,723	\$ 490,022	\$ 469,138
Interest	1,988,321	2,114,957	2,030,073	2,073,489
Experience differences	-	(594,608)	-	(2,382,400)
Changes in assumptions	-	(2,392,960)	(1,033,326)	455,944
Benefit payments and refunds	(1,617,134)	(1,437,784)	(1,414,812)	(1,308,075)
Other	-	-	-	-
Net change in total OPEB liability	743,731	(1,876,672)	71,957	(691,904)
Total OPEB liability - beginning	32,236,912	34,113,584	34,041,627	34,733,531
Total OPEB liability - ending (a)	<u>\$ 32,980,643</u>	<u>\$ 32,236,912</u>	<u>\$ 34,113,584</u>	<u>\$ 34,041,627</u>
Plan fiduciary net position				
Employer contributions	\$ 279,766	\$ 561,849	\$ 1,440,426	\$ 1,000,000
Net investment income (loss)	3,582,502	2,806,319	1,525,589	(2,988,183)
Benefit payments and refunds	(1,617,134)	(1,437,784)	(1,414,812)	(1,308,075)
Administrative expense	(32,318)	(40,065)	(28,347)	(10,342)
Net change in plan fiduciary net position	2,212,816	1,890,319	1,522,856	(3,306,600)
Plan fiduciary net position - beginning	32,156,541	30,266,222	28,743,366	32,049,966
Plan fiduciary net position - ending (b)	<u>\$ 34,369,357</u>	<u>\$ 32,156,541</u>	<u>\$ 30,266,222</u>	<u>\$ 28,743,366</u>
Net OPEB (asset) liability (a-b)	<u>\$ (1,388,714)</u>	<u>\$ 80,371</u>	<u>\$ 3,847,362</u>	<u>\$ 5,298,261</u>
Plan fiduciary net position as a percentage of total OPEB liability	104.21%	99.75%	88.72%	84.44%

See Accompanying Notes to Required Supplementary Information

City of Auburn Hills
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios

Fiscal year ended December 31,	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 532,540	\$ 635,842	\$ 799,084	\$ 778,931	\$ 1,012,637
Interest	2,478,387	2,453,325	2,351,538	2,252,089	2,652,607
Experience differences	(8,598,679)	(1,479,431)	77,702	(781,920)	(781,920)
Changes in assumptions	189,178	1,850,059	1,355,786	180,873	600,606
Benefit payments and refunds	(1,265,213)	(1,339,376)	(1,310,654)	(1,354,238)	(1,304,387)
Other	-	(20,000)	-	-	-
Net change in total OPEB liability	(6,663,787)	2,100,419	3,273,456	1,075,735	2,179,543
Total OPEB liability - beginning	41,397,318	39,296,899	36,023,443	34,165,788	39,915,088
Total OPEB liability - ending (a)	<u>\$ 34,733,531</u>	<u>\$ 41,397,318</u>	<u>\$ 39,296,899</u>	<u>\$ 35,241,523</u>	<u>\$ 42,094,631</u>
Plan fiduciary net position					
Employer contributions	\$ 2,108,273	\$ 3,376,820	\$ 2,810,654	\$ 2,354,238	\$ 1,604,387
Net investment income (loss)	3,703,698	2,422,547	3,059,696	(576,455)	1,866,867
Benefit payments and refunds	(1,265,213)	(1,339,376)	(1,310,654)	(1,354,238)	(1,304,387)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	4,546,758	4,459,991	4,559,696	423,545	2,166,867
Plan fiduciary net position - beginning	27,503,208	23,043,217	18,483,521	18,059,976	15,893,109
Plan fiduciary net position - ending (b)	<u>\$ 32,049,966</u>	<u>\$ 27,503,208</u>	<u>\$ 23,043,217</u>	<u>\$ 18,483,521</u>	<u>\$ 18,059,976</u>
Net OPEB (asset) liability (a-b)	<u>\$ 2,683,565</u>	<u>\$ 13,894,110</u>	<u>\$ 16,253,682</u>	<u>\$ 16,758,002</u>	<u>\$ 24,034,655</u>
Plan fiduciary net position as a percentage of total OPEB liability	92.27%	66.44%	58.64%	52.45%	42.90%

See Accompanying Notes to Required Supplementary Information

City of Auburn Hills
Required Supplementary Information
Other Postemployment Benefits
Schedule of Employer Contributions

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 1,526,848	\$ 1,287,504	\$ 239,344	N/A	N/A
2017	1,457,864	1,604,387	(146,523)	N/A	N/A
2018	2,233,562	2,354,238	(120,676)	N/A	N/A
2019	1,897,955	2,810,654	(912,699)	N/A	N/A
2020	1,754,928	3,376,820	(1,621,892)	N/A	N/A
2021	931,828	2,108,273	(1,176,445)	N/A	N/A
2022	604,395	1,000,000	(395,605)	N/A	N/A
2023	586,031	1,440,426	(854,395)	N/A	N/A
2024	311,849	561,849	(250,000)	N/A	N/A
2025	279,766	279,766	-	N/A	N/A

See Accompanying Notes to Required Supplementary Information

City of Auburn Hills
Required Supplementary Information
Other Postemployment Benefits
Schedule of City's Proportionate Share of the Net OPEB (Asset) Liability

Fiscal Year Ending December 31,	City's Proportion of the Net OPEB (Asset) Liability	City's Proportionate Share of the Net OPEB (Asset) Liability	City's Covered- Employee Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
2017	98.92754%	\$ 18,319,047	\$ 7,173,993	255.35%	52.86%
2018	97.34332%	17,073,942	6,747,847	253.03%	51.31%
2019	97.43084%	15,816,612	6,394,237	247.36%	58.67%
2020	96.90799%	13,464,503	5,900,336	228.20%	66.44%
2021	96.77627%	2,597,054	5,101,121	50.91%	92.27%
2022	96.94040%	5,136,148	4,695,753	109.38%	84.44%
2023	96.77500%	3,723,742	4,629,200	80.44%	88.72%
2024	97.18639%	78,400	N/A	N/A	99.75%
2025	96.52895%	(1,340,511)	N/A	N/A	104.21%

See Accompanying Notes to Required Supplementary Information

City of Auburn Hills
Required Supplementary Information
Other Postemployment Benefits
Schedule of Investment Returns

Fiscal Year Ended December 31,	Money-weighted Rate of Return
2017	5.89%
2018	-3.15%
2019	16.07%
2020	10.19%
2021	14.33%
2022	-9.31%
2023	5.27%
2024	9.46%
2025	11.44%

City of Auburn Hills
Notes to the Required Supplementary Information
December 31, 2025

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end. The City employs the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the first Monday in August, city departments, in conjunction with the finance office, prepare and submit their proposed operating budgets for the year beginning on January 1 to the city manager.
2. The city manager compiles and reviews such budget requests and then prepares recommendations and submits them to the City Council on or before September 1 of each year.
3. A public hearing is conducted to obtain taxpayers' comments.
4. No later than the first Monday in November, the budget is legally enacted through council passage for the budget resolutions.
5. After the budget is adopted, any revisions that alter total expenditure of a department or fund must be approved by the City Council.

The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the department level (i.e., the level at which expenditures may not legally exceed appropriations) for the General Fund and the fund total level for all other funds.

Encumbrance accounting is employed in governmental funds. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

The City had the following expenditures in excess of appropriations:

	Appropriations	Actual	Budget Variance
General Fund			
Capital improvements	\$ 1,214,217	\$ 1,291,393	\$ 77,176
Principal retirement	77,984	228,406	150,422

Pension Information

Changes in assumptions:

1. The long-term assumed rate of return was 6.66 percent in 2016 and prior years, 6.54 percent in 2017, 6.50 percent in 2018, 6.25 percent in 2019, 6.00 percent in 2020, 6.00 percent in 2021, 6.00 percent in 2022, 6.25 percent in 2023, 6.25 percent in 2024, and 6.25 percent in 2025.
2. The mortality tables have been updated annually:

2017: RP-2014 with Generational Mortality Scale MP-2016
2018: RP-2014 with Generational Mortality Scale MP-2017
2019: RP-2014 with Generational Mortality Scale MP-2018
2020: Pub-2010 Mortality Table with Generational Projection per scale MP-2019, with PubS-2010 tables for public safety and PubG-2010 tables for all others

City of Auburn Hills
Notes to the Required Supplementary Information
December 31, 2025

2021: Pub-2010 Mortality Table with Generational Projection per scale MP-2020, with PubS-2010 tables for public safety and PubG-2010 tables for all others

2022: Pub-2010 Mortality Table with Generational Projection per the MP-2021 scale, with employee rates before benefit commencement

2023: Pub-2010 Mortality Table with Generational Projection per the MP-2021 scale, with PubS-2010 for public safety groups and PubG-2010 for all others

2024: Pub-2010 Mortality Table with Generational Projection per the MP-2021 scale, with PubS-2010 for public safety groups and PubG-2010 for all others

2025: Pub-2010 Mortality Table with Generational Projection per the MP-2021 scale, with PubS-2010 for public safety groups and PubG-2010 for all others

3. The single discount rate was 5.83 percent in 2016 and prior years, 5.57 percent in 2017, 5.59 percent in 2018, 5.58 percent in 2019, 5.21 percent in 2020, 6.00 percent in 2021, 6.00 percent in 2022, 6.25 percent in 2023, 6.25 percent in 2024, and 6.25 percent in 2025.

OPEB Information

Changes in assumptions:

1. The long-term assumed rate of return was 6.57 percent in 2017, 6.50 percent in 2018, 6.25 percent in 2019, 6.00 percent in 2020, 6.00 percent in 2021, 6.00 percent in 2022, 6.25 percent in 2023, 6.25 percent in 2024, and 6.25 percent in 2025.

2. The mortality tables have been updated annually:

2017: RP-2014 with Generational Mortality Scale MP-2016

2018: RP-2014 with Generational Mortality Scale MP-2017

2019: RP-2014 with Generational Mortality Scale MP-2018

2020: Pub-2010 with Generational Projection per scale MP-2019

2021: Pub-2010 Mortality Table with Generational Projection per scale MP-2020, with PubS-2010 tables for public safety and PubG-2010 tables for all others

2022: Pub-2010 Mortality Table with Generational Projection per the MP-2021 scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement.

2023: Pub 2010 with Generational Mortality Scale MP-2021

2024: Pub 2010 with Generational Mortality Scale MP-2021

2025: Pub 2010 with Generational Mortality Scale MP-2021

3. The single discount rate was 6.57 percent in 2017, 6.50 percent in 2018, 6.25 percent in 2019, 6.00 percent in 2020, 6.00 percent in 2021, 6.00 percent in 2022, 6.25 percent in 2023, 6.25 percent in 2024, and 6.25 percent in 2025.

4. Health care cost trend rates have been updated as follows:

2019: The health care cost trend rate was 8.2 percent for 2019, decreasing to an ultimate rate of 4.1 percent over 72 years for pre-Medicare participants, a health care cost trend rate of 8.5 percent for 2019, decreasing to an ultimate rate of 4.3 percent over 68 years for post-Medicare participants.

2020: The health care cost trend rate was 5.3 percent for 2020, decreasing to an ultimate rate of 4.0 percent over 55 years for pre-Medicare participants, and a health care cost trend rate of 5.6 percent for 2020, decreasing to an ultimate rate of 4.3 percent over 55 years for post-Medicare participants.

2021: The health care cost trend rate was 5.0 percent for 2020, decreasing to an ultimate rate of 4.0 percent over 54 years for both pre-Medicare and post-Medicare participants.

2022: The health care cost trend rate was 5.0 percent for 2021, decreasing to an ultimate rate of 4.0 percent over 53 years for both pre-Medicare and post-Medicare participants.

City of Auburn Hills
Notes to the Required Supplementary Information
December 31, 2025

2023: The health care cost trend rate was 6.5 percent for 2023, decreasing to an ultimate rate of 3.9 percent over 51 years for pre-Medicare participants, and healthcare cost trend rate of 6.3 percent for 2023, decreasing to an ultimate rate of 3.9 percent over 51 years for post-Medicare participants.

2024: The health care cost trend rate of 6.4 percent for 2024, decreasing to an ultimate rate of 3.9 percent over 49 years for pre-Medicare participants, and a health care cost trend rate of 7.3 percent for 2024, decreasing to an ultimate rate of 3.9 percent over 49 years for post-Medicare participants.

2025: The health care cost trend rate of 5.9 percent for 2025, decreasing to an ultimate rate of 3.9 percent over 48 years for pre-Medicare participants, and a health care cost trend rate of 6.3 percent for 2025, decreasing to an ultimate rate of 3.9 percent over 48 years for post-Medicare participants

Contributions to the OPEB plan are not based on a measure of pay; therefore, no covered payroll is presented.

The total OPEB liability as of December 31, 2017, was restated to reflect an updated claims curve methodology.

GASB Statement No. 74 was implemented for the fiscal year ended December 31, 2017, and GASB Statement No. 75 was implemented for the fiscal year ended December 31, 2018, and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

City of Auburn Hills
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

Special Revenue Funds

	Metro Act	Wayne-Oakland Disposal	Tree Ordinance	State and Federal Drug Forfeiture	Special Circumstances
Assets					
Cash and cash equivalents	\$ 27,863	\$ 1,061,830	\$ 1,300,165	\$ 110,330	\$ 56,387
Receivables					
Special assessments	-	-	-	-	-
Due from other units of government	-	-	-	-	285,512
Total assets	<u>\$ 27,863</u>	<u>\$ 1,061,830</u>	<u>\$ 1,300,165</u>	<u>\$ 110,330</u>	<u>\$ 341,899</u>
Liabilities					
Accounts payable	\$ 7,187	\$ -	\$ -	\$ -	\$ -
Due to other units of government	-	-	-	-	14,293
Refundable deposits	-	-	75,620	-	-
Total liabilities	<u>7,187</u>	<u>-</u>	<u>75,620</u>	<u>-</u>	<u>14,293</u>
Deferred inflows of resources					
Unavailable revenue					
Other receivables	-	-	-	-	285,512
Special assessments	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285,512</u>
Fund balances					
Restricted for					
Public works	20,676	-	1,224,545	-	-
Public safety	-	-	-	110,330	-
Health and welfare	-	-	-	-	42,094
Community and economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Committed	-	1,061,830	-	-	-
Total fund balances	<u>20,676</u>	<u>1,061,830</u>	<u>1,224,545</u>	<u>110,330</u>	<u>42,094</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,863</u>	<u>\$ 1,061,830</u>	<u>\$ 1,300,165</u>	<u>\$ 110,330</u>	<u>\$ 341,899</u>

City of Auburn Hills
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Fund	Debt Service Funds		Total Nonmajor Governmental Funds
	CDBG	Special Assessment Debt Service	Capital Improvement Debt Service	
Assets				
Cash and cash equivalents	\$ 19,036	\$ 321,625	\$ -	\$ 2,897,236
Receivables				
Special assessments	-	94,062	-	94,062
Due from other units of government	<u>8,503</u>	<u>-</u>	<u>-</u>	<u>294,015</u>
Total assets	<u>\$ 27,539</u>	<u>\$ 415,687</u>	<u>\$ -</u>	<u>\$ 3,285,313</u>
Liabilities				
Accounts payable	\$ 4,828	\$ -	\$ -	\$ 12,015
Due to other units of government	-	-	-	14,293
Refundable deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,620</u>
Total liabilities	<u>4,828</u>	<u>-</u>	<u>-</u>	<u>101,928</u>
Deferred inflows of resources				
Unavailable revenue				
Other receivables	-	-	-	285,512
Special assessments	<u>-</u>	<u>101,780</u>	<u>-</u>	<u>101,780</u>
Total deferred inflows of resources	<u>-</u>	<u>101,780</u>	<u>-</u>	<u>387,292</u>
Fund balances				
Restricted for				
Public works	-	-	-	1,245,221
Public safety	-	-	-	110,330
Health and welfare	-	-	-	42,094
Community and economic development	22,329	-	-	22,329
Debt service	-	313,907	-	313,907
Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,061,830</u>
Total fund balances	<u>22,711</u>	<u>313,907</u>	<u>-</u>	<u>2,796,093</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,539</u>	<u>\$ 415,687</u>	<u>\$ -</u>	<u>\$ 3,285,313</u>

City of Auburn Hills
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue Funds				
	Metro Act	Wayne-Oakland Disposal	Tree Ordinance	State and Federal Drug Forfeiture	Special Circumstances
Revenues					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,000	-	-	-	-
Federal grants	-	-	-	-	-
State grants	104,481	-	-	-	-
Charges for services	-	241,792	323,930	-	-
Fines and forfeitures	-	-	-	33,346	-
Investment income	1,346	40,966	46,255	2,349	2,369
Other revenue	-	-	11,400	10,712	25,908
Total revenues	<u>106,827</u>	<u>282,758</u>	<u>381,585</u>	<u>46,407</u>	<u>28,277</u>
Expenditures					
Current					
General government	127,751	-	4,474	-	-
Public safety	-	-	-	30,755	-
Public works	-	41,463	-	-	-
Health and welfare	-	-	-	-	101,355
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>127,751</u>	<u>41,463</u>	<u>4,474</u>	<u>30,755</u>	<u>101,355</u>
Excess (deficiency) of revenues over expenditures	<u>(20,924)</u>	<u>241,295</u>	<u>377,111</u>	<u>15,652</u>	<u>(73,078)</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(560,000)	-	-	-
Total other financing sources and uses	<u>-</u>	<u>(560,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(20,924)</u>	<u>(318,705)</u>	<u>377,111</u>	<u>15,652</u>	<u>(73,078)</u>
Fund balances - beginning of year	<u>41,600</u>	<u>1,380,535</u>	<u>847,434</u>	<u>94,678</u>	<u>115,172</u>
Fund balances - end of year	<u>\$ 20,676</u>	<u>\$ 1,061,830</u>	<u>\$ 1,224,545</u>	<u>\$ 110,330</u>	<u>\$ 42,094</u>

City of Auburn Hills
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue Fund	Debt Service Funds		Total Nonmajor Governmental Funds
	CDBG	Special Assessment Debt Service	Capital Improvement Debt Service	
Revenues				
Special assessments	\$ -	\$ 111,585	\$ -	\$ 111,585
Licenses and permits	-	-	-	1,000
Federal grants	77,858	-	-	77,858
State grants	-	-	-	104,481
Charges for services	-	-	-	565,722
Fines and forfeitures	-	-	-	33,346
Investment income (loss)	382	22,227	-	115,894
Other revenue	-	-	-	48,020
Total revenues	<u>78,240</u>	<u>133,812</u>	<u>-</u>	<u>1,057,906</u>
Expenditures				
Current				
General government	-	-	-	132,225
Public safety	-	-	-	30,755
Public works	-	-	-	41,463
Health and welfare	77,858	-	-	179,213
Debt service				
Principal retirement	-	170,000	1,480,000	1,650,000
Interest and fiscal charges	-	9,125	384,900	394,025
Total expenditures	<u>77,858</u>	<u>179,125</u>	<u>1,864,900</u>	<u>2,427,681</u>
Excess (deficiency) of revenues over expenditures	<u>382</u>	<u>(45,313)</u>	<u>(1,864,900)</u>	<u>(1,369,775)</u>
Other financing sources (uses)				
Transfers in	-	-	1,864,900	1,864,900
Transfers out	-	-	-	(560,000)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>1,864,900</u>	<u>1,304,900</u>
Net change in fund balances	<u>382</u>	<u>(45,313)</u>	<u>-</u>	<u>(64,875)</u>
Fund balances - beginning of year	<u>22,329</u>	<u>359,220</u>	<u>-</u>	<u>2,860,968</u>
Fund balances - end of year	<u>\$ 22,711</u>	<u>\$ 313,907</u>	<u>\$ -</u>	<u>\$ 2,796,093</u>

City of Auburn Hills
Other Supplementary Information
Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
December 31, 2025

	Pension Trust Fund	Retiree Health Care Trust Fund	Total Pension and Other Employee Benefit Trust Funds
Assets			
Cash and cash equivalents	\$ 864,815	\$ 655,009	\$ 1,519,824
Investments			
Mutual funds	33,897,260	30,224,477	64,121,737
Hedge funds	7,330,259	1,717,092	9,047,351
Commingled funds	17,049,275	-	17,049,275
Real estate	2,566,977	1,770,410	4,337,387
Accrued interest and other	2,925	2,371	5,296
 Total assets	 61,711,511	 34,369,359	 96,080,870
 Liabilities			
Accounts payable	14,262	7,014	21,276
 Net position			
Restricted for:			
Pensions	61,697,249	-	61,697,249
Postemployment benefits other than pension	-	34,362,345	34,362,345
 Total net position	 \$ 61,697,249	 \$ 34,362,345	 \$ 96,059,594

City of Auburn Hills
Other Supplementary Information
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended December 31, 2025

	Pension Trust Fund	Retiree Health Care Trust Fund	Total Pension and Other Employee Benefit Trust Funds
Additions			
Contributions			
Employer	\$ 963,221	\$ 279,766	\$ 1,242,987
Members	10,397	-	10,397
Total contributions	<u>973,618</u>	<u>279,766</u>	<u>1,253,384</u>
Investment earnings			
Interest, dividends and other	975,515	955,674	1,931,189
Net increase in fair value of investments	<u>5,244,359</u>	<u>2,711,136</u>	<u>7,955,495</u>
Total investment earnings	<u>6,219,874</u>	<u>3,666,810</u>	<u>9,886,684</u>
Less investment costs			
Investment activity costs	<u>99,871</u>	<u>54,793</u>	<u>154,664</u>
Net investment earnings	<u>6,120,003</u>	<u>3,612,017</u>	<u>9,732,020</u>
Miscellaneous	<u>421</u>	<u>-</u>	<u>421</u>
Total additions	<u>7,094,042</u>	<u>3,891,783</u>	<u>10,985,825</u>
Deductions			
Benefits paid to participants or beneficiaries	4,975,298	1,617,134	6,592,432
Administrative expense	86,194	59,234	145,428
Other expense	<u>-</u>	<u>9,611</u>	<u>9,611</u>
Total deductions	<u>5,061,492</u>	<u>1,685,979</u>	<u>6,747,471</u>
Change in net position	2,032,550	2,205,804	4,238,354
Net position - beginning of year	<u>59,664,699</u>	<u>32,156,541</u>	<u>91,821,240</u>
Net position - end of year	<u>\$ 61,697,249</u>	<u>\$ 34,362,345</u>	<u>\$ 96,059,594</u>

City of Auburn Hills
Other Supplementary Information
Combining Balance Sheet
Major and Local Streets Fund Detail
December 31, 2025

	Major Streets	Local Streets	Total
Assets			
Cash and cash equivalents	\$ 1,630,176	\$ 550,761	\$ 2,180,937
Receivables			
General accounts receivable	430,987	5,000	435,987
Due from other units of government	<u>539,653</u>	<u>114,093</u>	<u>653,746</u>
 Total assets	 <u>\$ 2,600,816</u>	 <u>\$ 669,854</u>	 <u>\$ 3,270,670</u>
Liabilities			
Accounts payable	\$ 542,476	\$ 7,788	\$ 550,264
Contracts payable - retainage	286,189	271,438	557,627
Due to other units of government	1,025	-	1,025
Payroll and other liabilities	7,951	4,101	12,052
Refundable deposits	<u>861,561</u>	<u>154,196</u>	<u>1,015,757</u>
 Total liabilities	 <u>1,699,202</u>	 <u>437,523</u>	 <u>2,136,725</u>
Deferred inflows of resources			
Unavailable revenue			
Other receivables	<u>563,201</u>	<u>-</u>	<u>563,201</u>
 Total deferred inflows of resources	 <u>563,201</u>	 <u>-</u>	 <u>563,201</u>
Fund balances			
Restricted for			
Streets	<u>338,413</u>	<u>232,331</u>	<u>570,744</u>
 Total liabilities, deferred inflows and fund balances	 <u>\$ 2,600,816</u>	 <u>\$ 669,854</u>	 <u>\$ 3,270,670</u>

City of Auburn Hills
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Major and Local Streets Fund Detail
For the Year Ended December 31, 2025

	<u>Major Streets</u>	<u>Local Streets</u>	<u>Total</u>
Revenues			
State grants	\$ 4,355,383	\$ 711,272	\$ 5,066,655
Local contributions	-	1,919,330	1,919,330
Investment income	97,866	11,925	109,791
Other revenue	<u>110,471</u>	<u>50</u>	<u>110,521</u>
 Total revenues	 4,563,720	 2,642,577	 7,206,297
Expenditures			
Current			
Streets and public improvements	<u>6,031,681</u>	<u>8,570,441</u>	<u>14,602,122</u>
 Excess (deficiency) of revenues over expenditures	 <u>(1,467,961)</u>	 <u>(5,927,864)</u>	 <u>(7,395,825)</u>
Other financing sources (uses)			
Transfers in	<u>-</u>	<u>5,660,000</u>	<u>5,660,000</u>
 Net change in fund balances	 (1,467,961)	 (267,864)	 (1,735,825)
Fund balances - beginning of year	<u>1,806,374</u>	<u>500,195</u>	<u>2,306,569</u>
Fund balances - end of year	<u>\$ 338,413</u>	<u>\$ 232,331</u>	<u>\$ 570,744</u>

May 19, 2026

City Council and Management
City of Auburn Hills
Auburn Hills, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Auburn Hills (the City) as of and for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated January 13, 2026. Professional standards also require that we communicate to you the following information related to our audit.

We discussed these matters with various personnel in the City during the audit including management. We would also be pleased to meet with you to discuss these matters at your convenience.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the footnotes of the financial statements. The City has adopted the following Governmental Accounting Standards Board Statements effective January 1, 2025:

- Statement No. 102, *Certain Risk Disclosures*, requires governments to provide users of the financial statements with essential information about risks related to the government's vulnerabilities due to certain concentrations or constraints.

We noted no transactions entered into by the City during the year for which there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- The useful lives of its capital assets. Useful lives are estimated based on the expected length of time during which the asset is able to deliver a given level of service.
- Leases receivable and the related deferred inflows of resources. The estimate is based on management's assessment of the likelihood of exercising renewal options and utilizing interest and discount rates.
- Net pension liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.
- Net other postemployment benefits (OPEB) asset, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

- **Compensated Absences.** Management’s estimate is based pay rates in effect at the end of the reporting period and the likelihood that employees will use or be paid out for earned time.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Disclosures in the financial statements are neutral, consistent and clear.

Auditors are required to use professional judgment to identify areas of the audit that have a significant risk of material misstatement and perform special audit consideration in those areas. Within our audit, we focused additional consideration on the following areas:

- Management override of controls
- Improper revenue recognition

Accounting Standards and Regulatory Updates

The Governmental Accounting Standards Board has released additional Statements. Details regarding these Statements are described in the footnotes of the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. Management has corrected all such misstatements.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit’s financial statements taken as a whole.

There were no known uncorrected misstatements that were more than trivial.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management’s Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Report on Required Supplementary Information

We applied certain limited procedures to management's discussion and analysis and the remaining required supplementary information (RSI) as described in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Report on Other Supplementary Information

We were engaged to report on other supplementary information as described in the table of contents of the financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Yeo & Yeo, P.C.

Troy, Michigan

City of Auburn Hills Audit Results December 31, 2025

PRESENTED BY

Michael L. Rolka, CPA, CGFM
Principal

June 1, 2026



YEO & YEO

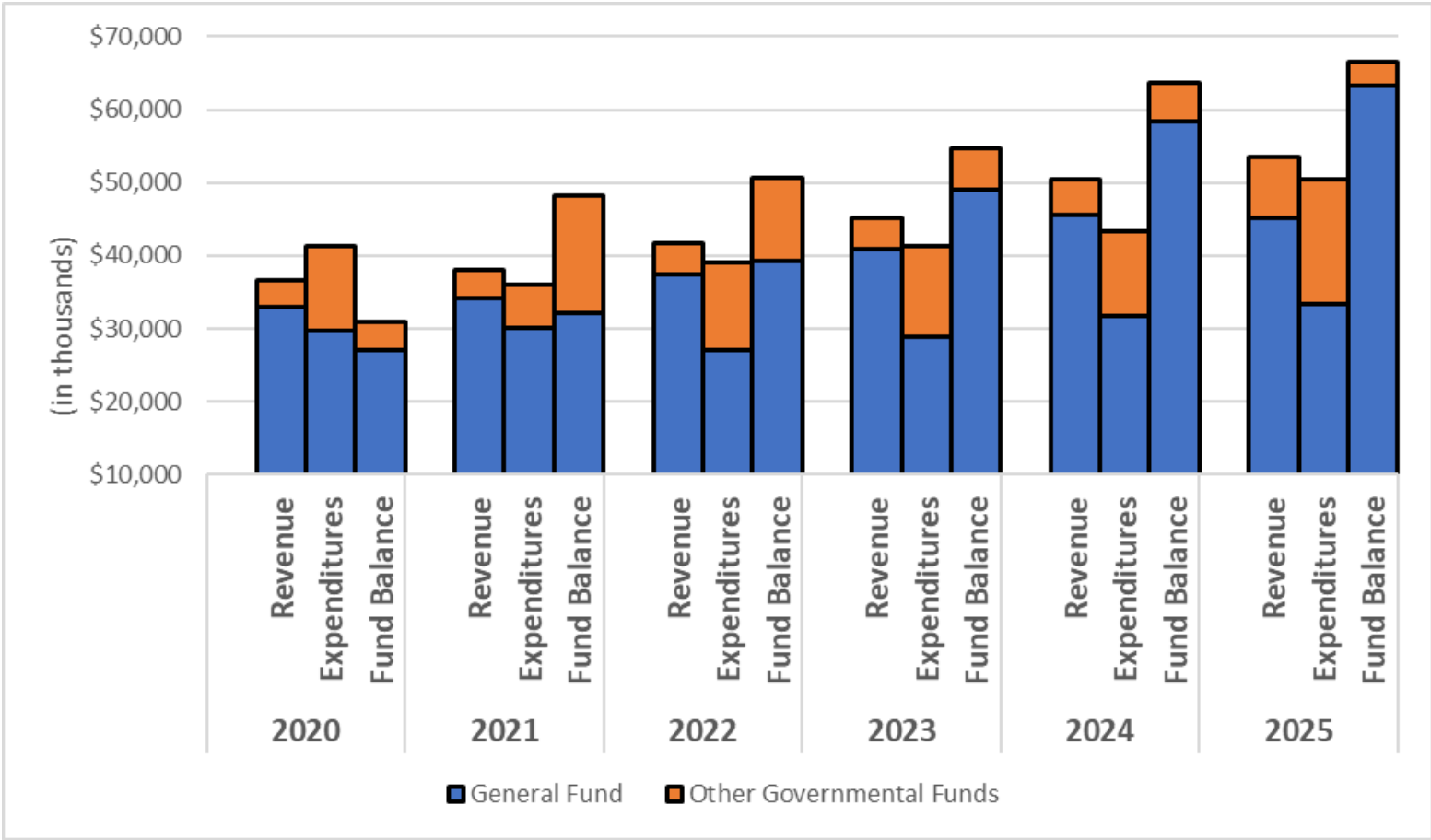
BUSINESS SUCCESS
PARTNERS

City of Auburn Hills Audit Opinion

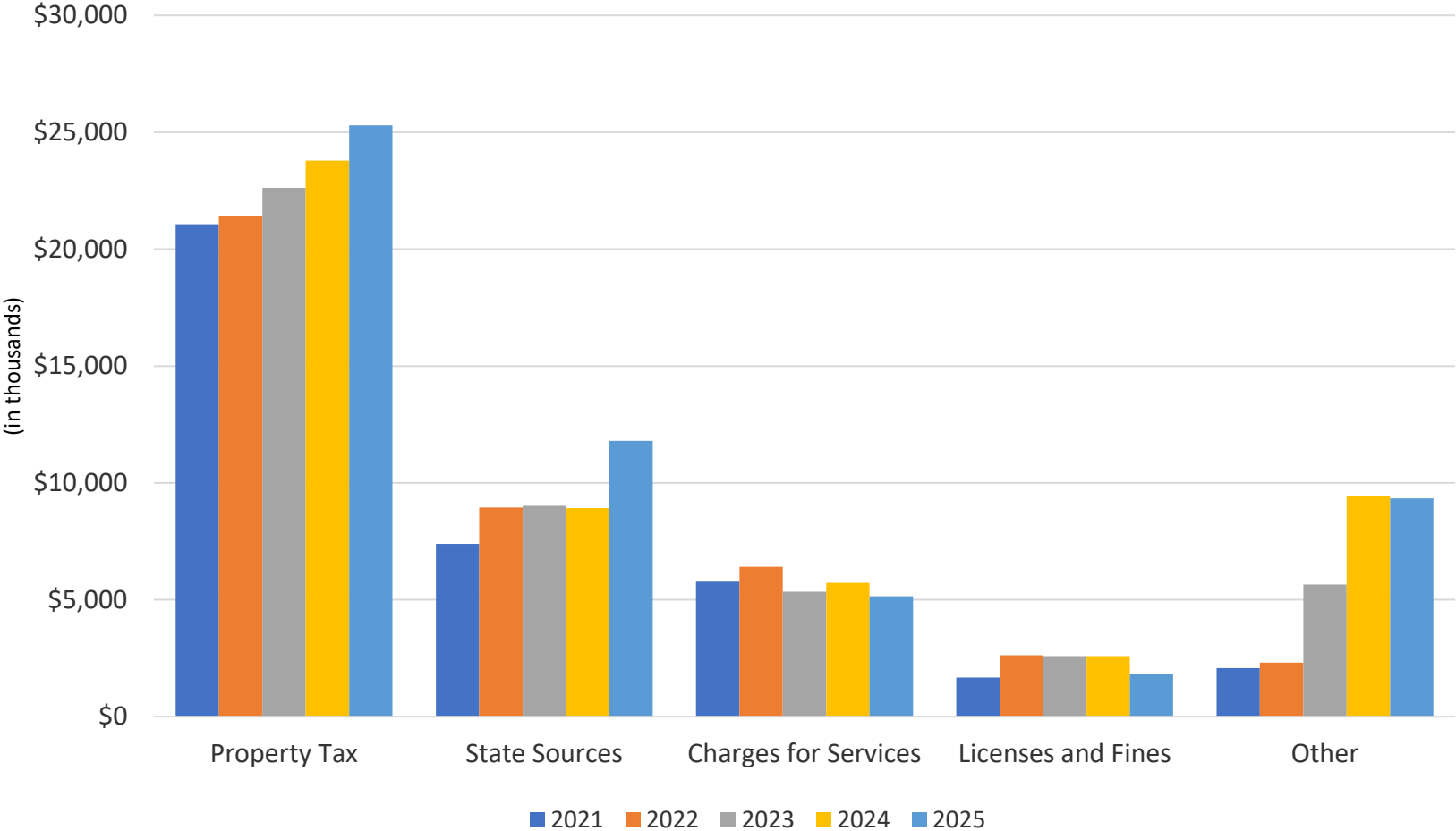
- The purpose of an audit
- Unmodified opinion – highest level of assurance
- Management's responsibility
 - Preparation and fair presentation in accordance with GAAP
 - Design, implementation and maintenance of internal controls
- Auditors' responsibility
 - Express opinions on the financial statements based on our audit

City of Auburn Hills

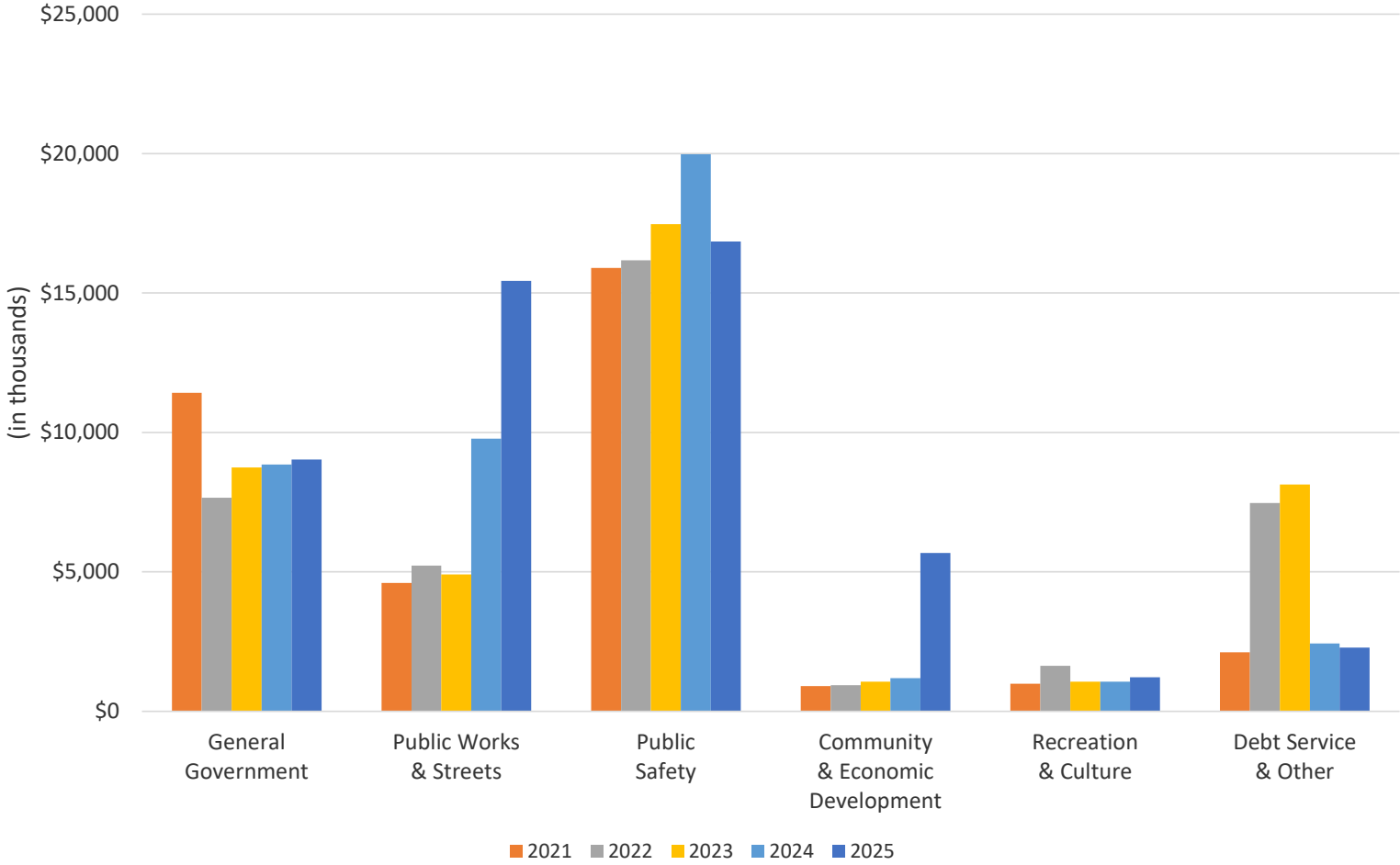
Governmental Revenues, Expenditures, and Fund Balances



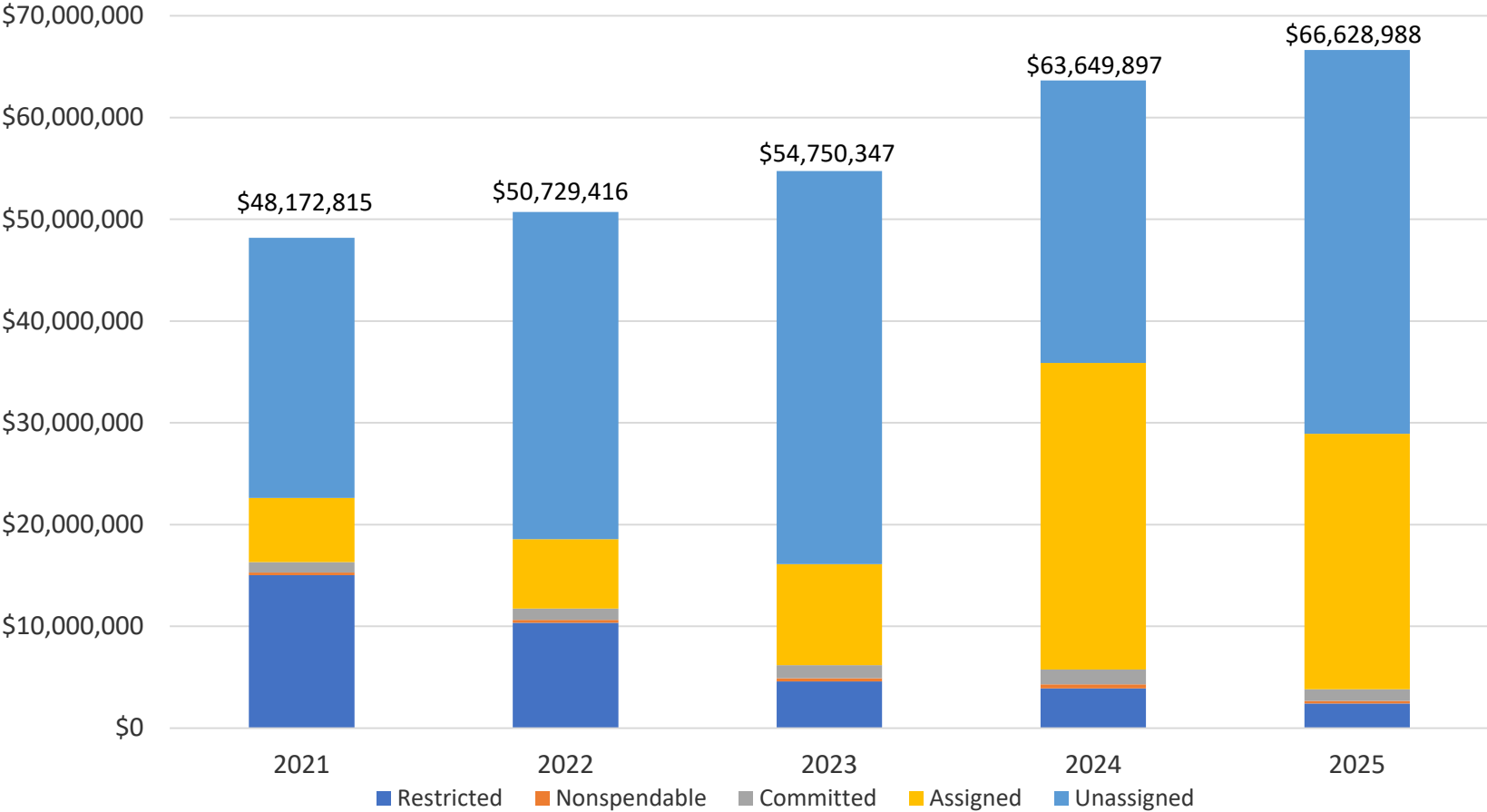
City of Auburn Hills Governmental Revenues



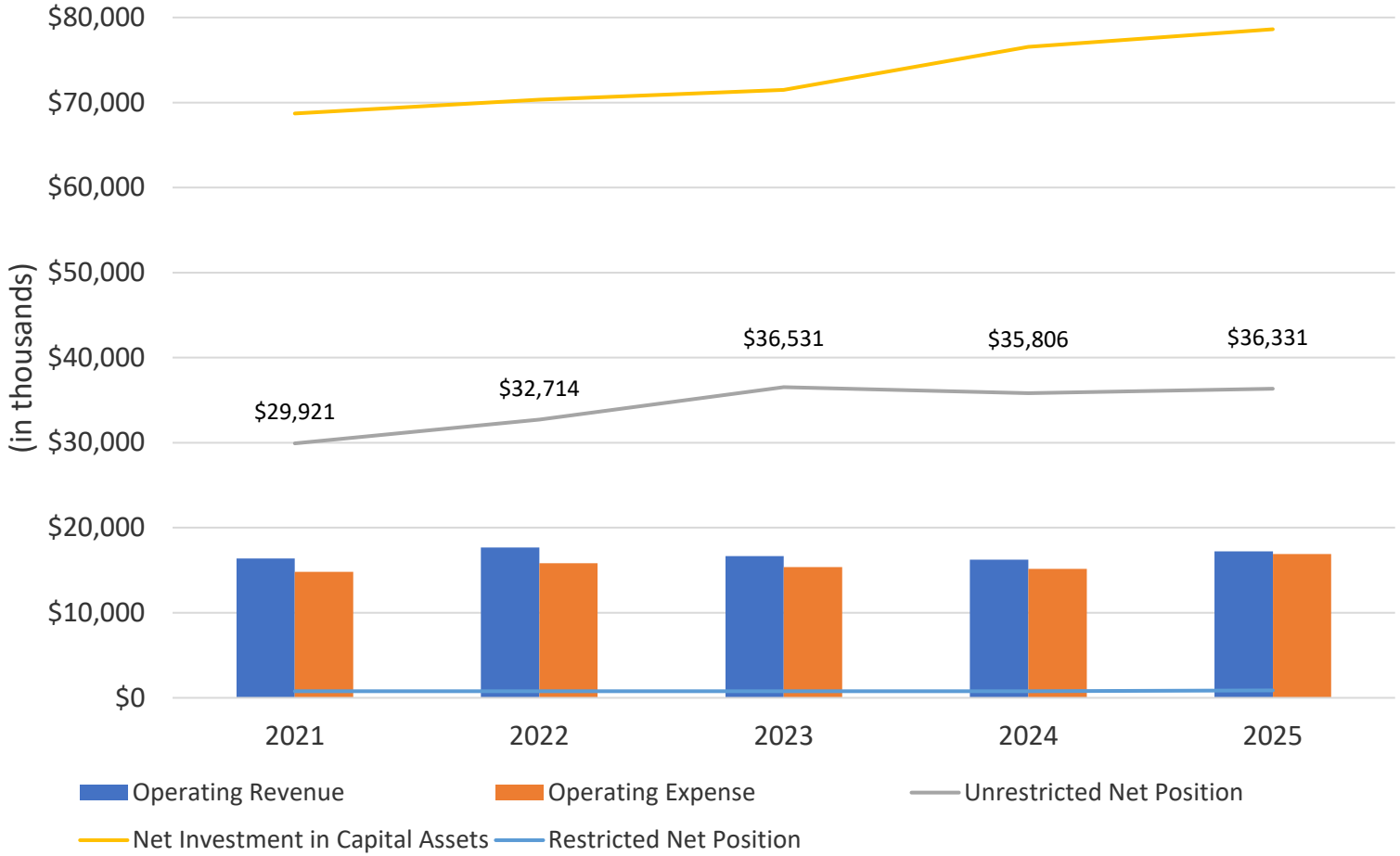
City of Auburn Hills Governmental Expenditures



City of Auburn Hills Governmental Funds – Fund Balances



City of Auburn Hills Water and Sewer Fund Activity



City of Auburn Hills

Pension and OPEB Funding Trends

	2025	2024	2023	2022	2021
Net Pension Liability (GASB 68)	\$4,939,751	\$7,808,000	\$8,185,000	\$12,961,000	\$5,326,000
Funded %	92.59%	88.4%	87.7%	81.1%	92.3%
Net OPEB Liability (Asset) (GASB 75)	\$(1,388,714)	\$80,371	\$3,847,000	\$5,298,000	\$2,684,000
Funded %	104.2%	99.8%	88.7%	84.4%	92.3%

City of Auburn Hills Governance Letter

- Required Communication
- Planned Timing and Scope of Audit
- Qualitative Aspects of Accounting Practices
 - GASB Statements Adopted
 - Significant Estimates
- Accounting Standards
 - Upcoming GASB Statements

Questions?

Michael L. Rolka, CPA, CGFM
Principal
Michael.Rolka@yeoandyeo.com
(248) 239-0900

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CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 7A1

PUBLIC SAFETY ADVISORY COMMITTEE

"Not Yet Approved"

CITY OF AUBURN HILLS

PUBLIC SAFETY ADVISORY
COMMISSION MEETING

May 26th, 2026

CALL TO ORDER: Chairperson Boelter called the meeting to order at 5:00 pm.

ROLL CALL: Mr. Jay Boelter, Present
Mr. Donearl Johnson, Present
Ms. Elaine Evans, Present
Mr. Ron Moniz, Present
Ms. Gail Cartwright, Present

Also Present: Deputy Police Chief Scott McGraw
Lt. Brad Brasil (left 5:14 pm-5:14 pm)
Fire Chief Trevin Robinson (left 5:57 pm-5:59 pm)
Deputy Fire Chief Mike Strunk
Administrative Officer Owen Milks
Police Department Clerk Nick Krystyniak

LOCATION: Public Safety Community Room.

APPROVAL OF MINUTES: EVANS moved to approve the minutes from February 24th, 2026 with no corrections.

Supported by CARTWRIGHT.

VOTE: Yes: All
No: None

Motion carried (5-0)

ADDITIONS TO THE AGENDA:

None

COMMUNICATIONS (PERSONS WISHING TO BE HEARD)

Chairperson Jay Boelter, as a resident, expressed concerns about Amazon Drone deliveries in the City. A discussion of such ensued.

UNFINISHED BUSINESS

None

NEW BUSINESS

- a. **Purchase of Office Furniture and Office Improvements** - This item was presented by Deputy Police Chief Scott McGraw.
 - a. Patrol Division office furniture and workstations need to be updated and redesigned.
 - i. Original to the building from 2001.
 - ii. More Efficient.
 - b. Research conducted by staff.
 - c. Police Department, in cooperation with DPW, received a quote from ISCG Workplace Design + Furnishing through the MiDeal Extended Purchasing Program for \$66,080.66.
 - i. Shipping and Installation included.
 - ii. Limited Lifetime Warranty
 1. 12-year no-cost parts and labor replacement.
 - d. \$80,000 was approved in the 2026 budget for this update.
 - i. This amount was to include Front Desk area but that project will be moved to next year's budget.

Discussion with questions and answers ensued regarding Phase 2, installation, old furniture, and new chairs.

Motion: JOHNSON moved to recommend to City Council the purchase of Haworth office furniture from ISCG Workplace Design + Furnishing in an amount not to exceed \$66,080.66.

Supported by EVANS.

VOTE: Yes: All
No: None

Motion carried (5-0)

- b. **Purchase of Azon Tasers and Service Agreement** This item was presented by Lt. Brad Brasil.
 - a. Current TASER contract with Axon Enterprise, Inc. is set to expire July 30th, 2026.

- b. Staff are recommending continued use of the Taser 7 product for the Department.
- c. 5-year contract.
 - i. 30 new TASER devices.
 - ii. Rechargeable batteries.
 - iii. Holsters
 - iv. Charging Dock
 - v. Warranty
- d. Sharing 30 TASER devices amongst 53 users saves \$73,250.40 over the term of the 5 year-contact.
- e. Axon Enterprise, Inc. is sole-source provider.
 - i. \$36,776.40 per year.
 - 1. This amount includes a \$15,000 credit for the old tasers.
- f. \$255,000.00 was approved in 2026 Approved Budget to combine a new TASER contract with the existing Axon Enterprise, Inc. contract for body-worn cameras, police vehicle equipment, and services.

Discussion with questions and answers ensued regarding equipping new staff, spares, TASER 10's, and additional licenses.

Motion: MONIZ moved to recommend to City Council the purchase of the contract renewal of 30 Taser Seven electronic control devices and requires add-ons, which includes signing a five-year contract agreement with Axon Enterprise, Inc. for an amount not to exceed \$36,776.40 per year, for five years by the Auburn Hills Police Department.

Supported by CARTWRIGHT.

VOTE: Yes: All
No: None

Motion carried (5-0)

- c. **Purchase of Traffic Management Software.** This item was presented by Deputy Police Chief Scott McGraw.
 - a. Identifying, responding to, and addressing traffic complaints in the community has always been a priority for the Police Department.
 - b. Over the last 5 years, the department has been challenged with staffing levels and had to temporarily discontinue a directed patrol/traffic unit.
 - c. Urban SDK approached us with their product in 2025.
 - i. Utilizes vehicle telematics.
 - ii. Takes data to provide real-time traffic data for local, county, and state government agencies.

- d. Program will enhance our efficiency by directing our resources to identified problem locations, with data to support it.
- e. Urban SDK is sole source provider and selected by Sourcewell.
 - i. \$26,200.00 for one year.
 - ii. We've been offered a discount of \$23,580.00 for one year.
- f. Staff believe it is in the City's best interest to try the software out for one year then decide on continuation of the software for future years.
- g. Urban SDK is currently utilized in: Novi, Battle Creek, Muskegon, Saginaw, Westland, Ypsilanti, and Washtenaw County.
- h. \$25,000.00 was budgeted in the 2026 approved budget for this program.

Discussion with questions and answers ensued regarding how information is received by the Police Department, tracking vehicle types, validation of data, managing public's expectation of their data, and benefits of a trial run.

Motion: CARTWRIGHT moves to recommend to the City Council the purchase of traffic management software from Urban SDK in an amount not to exceed \$23,580.00.

Supported by EVANS.

VOTE: Yes: All
No: None

Motion carried (5-0)

- d. **Purchase In-Building Speaker Purchase for Station 1 & 3.** This item was presented by Administrative Officer Owen Milks.
 - a. Fire Department relies on station monitoring systems to dispatch personnel to emergency incidents and maintain situational awareness.
 - b. Over time system was expanded by three different vendors.
 - i. As a result, it became increasingly unreliable due to compatibility and infrastructure issues.
 - c. Station Modernization Project removes previous infrastructure.
 - i. As construction nears completion, the Fire Department must install a new station monitoring and dispatch system that interfaces with the existing Oakland County base radio and BRYX alerting system.
 - d. The ITB was posted on BidNet Direct on May 5th, 2026.
 - i. 32 ceiling-mounted speakers with recessed volume controls, 14 wall-mounted volume control knobs, amplified equipment, required wiring infrastructure, and full system installation.
 - e. Nine bids submitted, four did not meet requirements.
 - i. Enertron LLC was most cost effective and meets all the required bid specifications.
 - f. Staff are recommending the bid be awarded to Enertron LLC for the purchase and installation of an in-building radio speakers, volume control knobs, and amplified(s) at station 1 & 3 for the amount not to exceed \$9,775.92.

Discussion with questions and answers ensued regarding gap in bids, warrant coverage, previous vendors, and Enertron LLC working for the City already.

Motion: EVANS moves to recommend to City Council to award the bid for the Fire Department In-Building Speaker Project to Enertron LLC of Clinton Township, MI for the amount not to exceed \$9,775.92 from line item 101-339-978.000.

Supported by JOHNSON.

VOTE: Yes: All
No: None

Motion carried (5-0)

REPORTS FROM THE DEPARTMENTS

- a. **Police Update.** Deputy Police Chief Scott McGraw presented the Police Department update.

No discussion or questions followed.

- b. **Fire Update.** Fire Chief Trevin Robinson presented the Fire Department update.

Discussion with questions and answers ensued regarding upcoming August Millage.

Motion: MONIZ motioned to adjourn the meeting.

Supported by EVANS.

VOTE: Yes: All
No: None

Motion carried (5-0)

ADJOURNMENT 6:16 pm.

Respectfully Submitted,
Nick Krystyniak
Police Department Clerk



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 7B

POLICE DEPARTMENT

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Ryan Gagnon, Chief of Police
Submitted: May 27, 2026
Subject: Motion – Approve Axon Enterprise, Inc. Contract Renewal for TASER 7 Devices

INTRODUCTION AND HISTORY

Auburn Hills Police Department’s current TASER contract with Axon Enterprise, Inc. is set to expire on July 30th, 2026. At that time, all TASER devices will be outside of warranty and Axon’s recommended useful life. The cartridge deliverable program, which provides our training & duty cartridges, will also come to an end.

Currently, the department uses the Taser 7 electronic control device. Training staff at the Police Department have researched and evaluated the current products available from Axon Enterprise, Inc., and staff recommend the continued use of the Taser 7 product for the department.

The new 5-year contract will provide us with 30 new TASER devices, rechargeable batteries, holsters, and a charging dock—all covered under a 5-year warranty that includes repairs or replacements. It will also provide all training & duty cartridges for 53 officers for a 5-year duration. Additionally, the new contract will include training accessories such as a new target & frame and Hook & Loop (HALT) training suit for our annual training requirements. We will also receive vouchers to ensure we can keep TASER instructors on staff to help facilitate our annual training. Axon will be buying back our old Taser 7 devices for \$500 per device, totaling \$15,000. That amount has been applied directly to the renewal cost of the new 5-year contract.

By continuing to operate with a shared TASER system, where 30 TASER devices will be shared amongst 53 users, as opposed to issuing a TASER device to each officer, the department will save \$73,250.40 over the term of the 5-year contract. The shared TASER system has proven to be sufficient for our personnel and efficient when warranty claims are necessary.

Axon Enterprise, Inc. is a sole-source provider of this type of electronic control device. The chart below depicts the costs of renewing the 5-year contract.

Equipment	Quantity	Price Per Unit	Total Price Per Year
Taser 7 shared devices, equipment, and licenses	30	\$926.88	\$27,806.40
Taser 7 additional user equipment and licenses	23	\$390.00	\$8,970.00
TOTAL AMOUNT	53 users		\$36,776.40

\$255,000.00 was approved in the 2026 Approved Budget to combine a new TASER contract with the existing Axon Enterprise, Inc. contract for body-worn cameras, police vehicle equipment, and services. Following the 2026 budget approval, some conditions of the combined contracts changed, and it was determined that renewing the expiring

5-year contract with Axon Enterprise, Inc. would serve the police department more economically and efficiently than combining the contracts. The cost of the contract renewal is reflected in the table above. The annual cost of the contract will be paid for by the approved budget amount.

The purchase of a new 5-year contract renewal includes signing a five-year contract agreement with Axon Enterprises, Inc. The five-year contract agreement includes 30 Taser 7 handles, 30 holsters, duty cartridges, and training cartridges for the 30 devices over the five years, a Taser 7 charging dock, Taser 7 evidence.com licenses, a Taser 7 target frame, and a conductive training target. The training cartridges included in the purchase agreement will cover the training and qualifications for 30 officers for five years. The Tasers, holsters, cartridges, and charging dock come with a five-year warranty, which will cover any repairs or replacements. The extra expenses include the additional 23 holsters, training cartridges, and evidence.com licenses for the remaining 23 officers not covered in the purchase agreement for the 30 shared TASER handles, and spare duty cartridges.

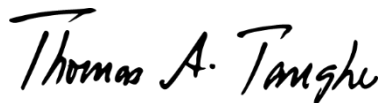
STAFF RECOMMENDATION

Recommend approval to purchase the 5-year contract renewal of 30 Taser Seven electronic control devices and required add-ons for an amount not to exceed \$36,776.40 per year, for five years from Axon Enterprise, Inc.

MOTION

Move to approve the purchase of the contract renewal of 30 Taser Seven electronic control devices and required add-ons for the Auburn Hills Police Department, which includes signing a five-year contract agreement with Axon Enterprise, Inc. for an amount not to exceed \$36,776.40 per year. Furthermore, authorize the Chief of Police to execute the Agreement on behalf of the City.

I CONCUR:



THOMAS A. TANGHE, CITY MANAGER



Axon Enterprise, Inc.
 17800 N 85th St
 Scottsdale, Arizona 85255
 United States
 VAT: 86-0741227
 Domestic:(800) 978-2737
 International: +1.800.978.2737

Q-812413-46154KH

Issued: 05/12/2026

Quote Expiration: 06/30/2026

Estimated Contract Start Date: 08/01/2026

Account Number: 115921

Payment Terms:

Mode of Delivery: AUTO-GND

Credit/Debit Amount: \$0.00

SHIP TO	BILL TO
Auburn Hills Police Department - MI 1899 N Squirrel Rd Auburn Hills, MI 48326-2749 USA	Auburn Hills Police Department - MI 1827 N Squirrel Rd Auburn Hills MI 48326-2749 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Kyle Hites Phone: Email: khites@axon.com Fax:	Scott McGraw Phone: (248) 364-6884 Email: smcgraw@auburnhills.org Fax:

Quote Summary

Program Length	60 Months
TOTAL COST	\$183,882.00
ESTIMATED TOTAL W/ TAX	\$183,882.00

Discount Summary

Average Savings Per Year	\$8,282.16
TOTAL SAVINGS	\$41,410.82

Payment Summary

Date	Subtotal	Tax	Total
Jul 2026	\$36,776.40	\$0.00	\$36,776.40
Jul 2027	\$36,776.40	\$0.00	\$36,776.40
Jul 2028	\$36,776.40	\$0.00	\$36,776.40
Jul 2029	\$36,776.40	\$0.00	\$36,776.40
Jul 2030	\$36,776.40	\$0.00	\$36,776.40
Total	\$183,882.00	\$0.00	\$183,882.00

Quote Unbundled Price: \$225,288.00
 Quote List Price: \$198,894.00
 Quote Subtotal: \$183,882.00

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
Program									
C00018	BUNDLE - TASER 7 CERTIFICATION	30	60	\$93.19	\$85.58	\$77.24	\$139,032.00	\$0.00	\$139,032.00
C00027	BUNDLE - TASER 7 CERTIFICATION ADD ON	23	60	\$41.70	\$32.50	\$32.50	\$44,850.00	\$0.00	\$44,850.00
Total							\$183,882.00	\$0.00	\$183,882.00

Delivery Schedule

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
BUNDLE - TASER 7 CERTIFICATION	100591	AXON TASER - CLEANING KIT	1	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	100623	ENHANCED HOOK-AND-LOOP TRAINING (HALT) SUIT (V2)	1	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	20008	AXON TASER 7 - HANDLE - HIGH VIS GRN LASER CLASS 3R YLW	1	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	20008	AXON TASER 7 - HANDLE - HIGH VIS GRN LASER CLASS 3R YLW	30	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	20018	AXON TASER - BATTERY PACK - TACTICAL	36	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	20063	AXON TASER 7 - HOLSTER - SAFARILAND RH	30	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	150	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	150	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	22177	AXON TASER 7 - CARTRIDGE - HALT STANDOFF NS	60	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	22178	AXON TASER 7 - CARTRIDGE - HALT CLOSE QUART NS	60	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	22179	AXON TASER 7 - CARTRIDGE - INERT STANDOFF (3.5-DEGREE) NS	30	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	22181	AXON TASER 7 - CARTRIDGE - INERT CLOSE QUART (12-DEGREE) NS	30	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	70033	AXON - DOCK WALL MOUNT - BRACKET ASSY	1	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	71019	AXON BODY - DOCK POWERCORD - NORTH AMERICA	1	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	74200	AXON TASER - DOCK - SIX BAY PLUS CORE	1	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	80087	AXON TASER - TARGET - CONDUCTIVE PROFESSIONAL RUGGEDIZED	1	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	80090	AXON TASER - TARGET FRAME - PROFESSIONAL 27.5 IN X 75 IN	1	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION ADD ON	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	115	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION ADD ON	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	115	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION ADD ON	22177	AXON TASER 7 - CARTRIDGE - HALT STANDOFF NS	46	1	07/01/2026

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
BUNDLE - TASER 7 CERTIFICATION ADD ON	22178	AXON TASER 7 - CARTRIDGE - HALT CLOSE QUART NS	46	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION ADD ON	22179	AXON TASER 7 - CARTRIDGE - INERT STANDOFF (3.5-DEGREE) NS	23	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION ADD ON	22181	AXON TASER 7 - CARTRIDGE - INERT CLOSE QUART (12-DEGREE) NS	23	1	07/01/2026
BUNDLE - TASER 7 CERTIFICATION	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	60	1	07/01/2027
BUNDLE - TASER 7 CERTIFICATION	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	60	1	07/01/2027
BUNDLE - TASER 7 CERTIFICATION ADD ON	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	46	1	07/01/2027
BUNDLE - TASER 7 CERTIFICATION ADD ON	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	46	1	07/01/2027
BUNDLE - TASER 7 CERTIFICATION	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	60	1	07/01/2028
BUNDLE - TASER 7 CERTIFICATION	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	60	1	07/01/2028
BUNDLE - TASER 7 CERTIFICATION	22177	AXON TASER 7 - CARTRIDGE - HALT STANDOFF NS	60	1	07/01/2028
BUNDLE - TASER 7 CERTIFICATION	22178	AXON TASER 7 - CARTRIDGE - HALT CLOSE QUART NS	60	1	07/01/2028
BUNDLE - TASER 7 CERTIFICATION ADD ON	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	46	1	07/01/2028
BUNDLE - TASER 7 CERTIFICATION ADD ON	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	46	1	07/01/2028
BUNDLE - TASER 7 CERTIFICATION ADD ON	22177	AXON TASER 7 - CARTRIDGE - HALT STANDOFF NS	46	1	07/01/2028
BUNDLE - TASER 7 CERTIFICATION ADD ON	22178	AXON TASER 7 - CARTRIDGE - HALT CLOSE QUART NS	46	1	07/01/2028
BUNDLE - TASER 7 CERTIFICATION	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	60	1	07/01/2029
BUNDLE - TASER 7 CERTIFICATION	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	60	1	07/01/2029
BUNDLE - TASER 7 CERTIFICATION ADD ON	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	46	1	07/01/2029
BUNDLE - TASER 7 CERTIFICATION ADD ON	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	46	1	07/01/2029
BUNDLE - TASER 7 CERTIFICATION	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	60	1	07/01/2030
BUNDLE - TASER 7 CERTIFICATION	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	60	1	07/01/2030
BUNDLE - TASER 7 CERTIFICATION ADD ON	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	46	1	07/01/2030
BUNDLE - TASER 7 CERTIFICATION ADD ON	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	46	1	07/01/2030

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
BUNDLE - TASER 7 CERTIFICATION	101180	AXON TASER - DATA SCIENCE PROGRAM	30	08/01/2026	07/31/2031
BUNDLE - TASER 7 CERTIFICATION	20248	AXON TASER - EVIDENCE.COM LICENSE	1	08/01/2026	07/31/2031
BUNDLE - TASER 7 CERTIFICATION	20248	AXON TASER - EVIDENCE.COM LICENSE	30	08/01/2026	07/31/2031
BUNDLE - TASER 7 CERTIFICATION ADD ON	101180	AXON TASER - DATA SCIENCE PROGRAM	23	08/01/2026	07/31/2031
BUNDLE - TASER 7 CERTIFICATION ADD ON	20248	AXON TASER - EVIDENCE.COM LICENSE	23	08/01/2026	07/31/2031

Services

Bundle	Item	Description	QTY
BUNDLE - TASER 7 CERTIFICATION	101193	AXON TASER - ON DEMAND CERTIFICATION	30
BUNDLE - TASER 7 CERTIFICATION	20246	AXON TASER 7 - REPLACEMENT ACCESS PROGRAM - DUTY CARTRIDGE	30
BUNDLE - TASER 7 CERTIFICATION ADD ON	101193	AXON TASER - ON DEMAND CERTIFICATION	23
BUNDLE - TASER 7 CERTIFICATION ADD ON	20246	AXON TASER 7 - REPLACEMENT ACCESS PROGRAM - DUTY CARTRIDGE	23

Warranties

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
BUNDLE - TASER 7 CERTIFICATION	80374	AXON TASER - EXT WARRANTY - BATTERY PACK T7/T10	36	07/01/2027	07/31/2031
BUNDLE - TASER 7 CERTIFICATION	80395	AXON TASER 7 - EXT WARRANTY - HANDLE	1	07/01/2027	07/31/2031
BUNDLE - TASER 7 CERTIFICATION	80395	AXON TASER 7 - EXT WARRANTY - HANDLE	30	07/01/2027	07/31/2031
BUNDLE - TASER 7 CERTIFICATION	80396	AXON TASER - EXT WARRANTY - DOCK SIX BAY T7/T10	1	07/01/2027	07/31/2031

Shipping Locations

Location Number	Street	City	State	Zip	Country
1	1899 N Squirrel Rd	Auburn Hills	MI	48326-2749	USA

Payment Details

Jul 2026						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1	C00018	BUNDLE - TASER 7 CERTIFICATION	30	\$27,806.36	\$0.00	\$27,806.36
Year 1	C00027	BUNDLE - TASER 7 CERTIFICATION ADD ON	23	\$8,970.04	\$0.00	\$8,970.04
Total				\$36,776.40	\$0.00	\$36,776.40

Jul 2027						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1	C00018	BUNDLE - TASER 7 CERTIFICATION	30	\$27,806.36	\$0.00	\$27,806.36
Year 1	C00027	BUNDLE - TASER 7 CERTIFICATION ADD ON	23	\$8,970.04	\$0.00	\$8,970.04
Total				\$36,776.40	\$0.00	\$36,776.40

Jul 2028						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1	C00018	BUNDLE - TASER 7 CERTIFICATION	30	\$27,806.36	\$0.00	\$27,806.36
Year 1	C00027	BUNDLE - TASER 7 CERTIFICATION ADD ON	23	\$8,970.04	\$0.00	\$8,970.04
Total				\$36,776.40	\$0.00	\$36,776.40

Jul 2029						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1	C00018	BUNDLE - TASER 7 CERTIFICATION	30	\$27,806.36	\$0.00	\$27,806.36
Year 1	C00027	BUNDLE - TASER 7 CERTIFICATION ADD ON	23	\$8,970.04	\$0.00	\$8,970.04
Total				\$36,776.40	\$0.00	\$36,776.40

Jul 2030						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1	C00018	BUNDLE - TASER 7 CERTIFICATION	30	\$27,806.36	\$0.00	\$27,806.36
Year 1	C00027	BUNDLE - TASER 7 CERTIFICATION ADD ON	23	\$8,970.04	\$0.00	\$8,970.04
Total				\$36,776.40	\$0.00	\$36,776.40

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at <https://www.axon.com/sales-terms-and-conditions>), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Exceptions to Standard Terms and Conditions

Rewrite Estimates

Estimated Amounts and Contract Terminations. Any amounts stated as due under existing or terminated contracts — including contract transfer balances carried forward to new or pending contracts — are estimates based on payments received as of the calculation date. These estimates may be adjusted if new contracts are not executed on the anticipated dates or if expected payments are not made.

Refresh Shipment Timing

Technology Assurance Plan (TAP) Refresh Prior to Renewal. For Customers with expiring agreements that include TAP refresh rights, Axon may, in its discretion, ship refresh hardware under the existing contract while renewal or replacement agreements are in progress. Any such shipments will be deemed made under the terms of the existing contract until the new contract is fully executed, after which any applicable updates, fees, or adjustments will apply.

Shipment Timing

Shipment Variance. Estimated shipment dates are provided for planning purposes only and are not guarantees. Axon may ship hardware before or after the estimated shipment date, and failure to meet an estimated shipment date will not, by itself, constitute a breach, provided Axon uses commercially reasonable efforts to meet estimated shipment dates.

Signature

Date Signed

5/12/2026





CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 7C

POLICE DEPARTMENT

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Ryan Gagnon, Chief of Police
Submitted: May 27, 2026
Subject: Motion – Approval to Purchase Police Department Office Furniture and Workstations

INTRODUCTION AND HISTORY

The Police Department’s Patrol Division office furniture and workstations need to be updated and redesigned. The current workspaces were originally installed in 2001 when the Public Safety Building was built. The Patrol Division supervisor’s offices will be redesigned and updated to improve the layout. This design will accommodate a more efficient layout and a more welcoming workspace than the original layout. In addition to the offices being updated, the patrol briefing room will also be updated with more efficient mailboxes, reducing the amount of space currently utilized. These updates to work areas will modernize the current workstations and improve efficiency in the workspace while considering long-term sustainability and growth.

The Police Department wishes to update the workspace by replacing the current workstations with modern workstations configured to meet the needs of department personnel. Research has been conducted by staff, Department of Public Works personnel, and an outside consultant, and the requested updated design and equipment are shown in the included drawings.

On April 30, 2026, the Police Department, in cooperation with DPW, received a quote from ISCG Workplace Design + Furnishing through the MiDeal Extended Purchasing Program. This is consortium purchasing that includes competitive bidding and meets the requirements of our purchasing ordinance. The quote includes shipping and installation of the furniture. Haworth Furniture has a limited lifetime warranty, which includes a twelve-year no-cost parts and labor replacement.

Vendor	Location	Haworth Office Furniture including installation and shipping	TOTAL
ISCG Workplace Design + Furnishing	612 N. Main Street Royal Oak, MI 48067	\$66,080.66	\$66,080.66

\$80,000.00 was approved in the 2026 approved budget to update the office furniture and workstations.

STAFF RECOMMENDATION

Approve the purchase of the Haworth office furniture from ISCG Workplace Design + Furnishing through the MiDeal Extended Purchasing Program.

MOTION

Move to approve the purchase of Haworth office furniture from ISCG Workplace Design + Furnishing in an amount not to exceed \$66,080.66.

I CONCUR:

Thomas A. Tanghe

THOMAS A. TANGHE, CITY MANAGER

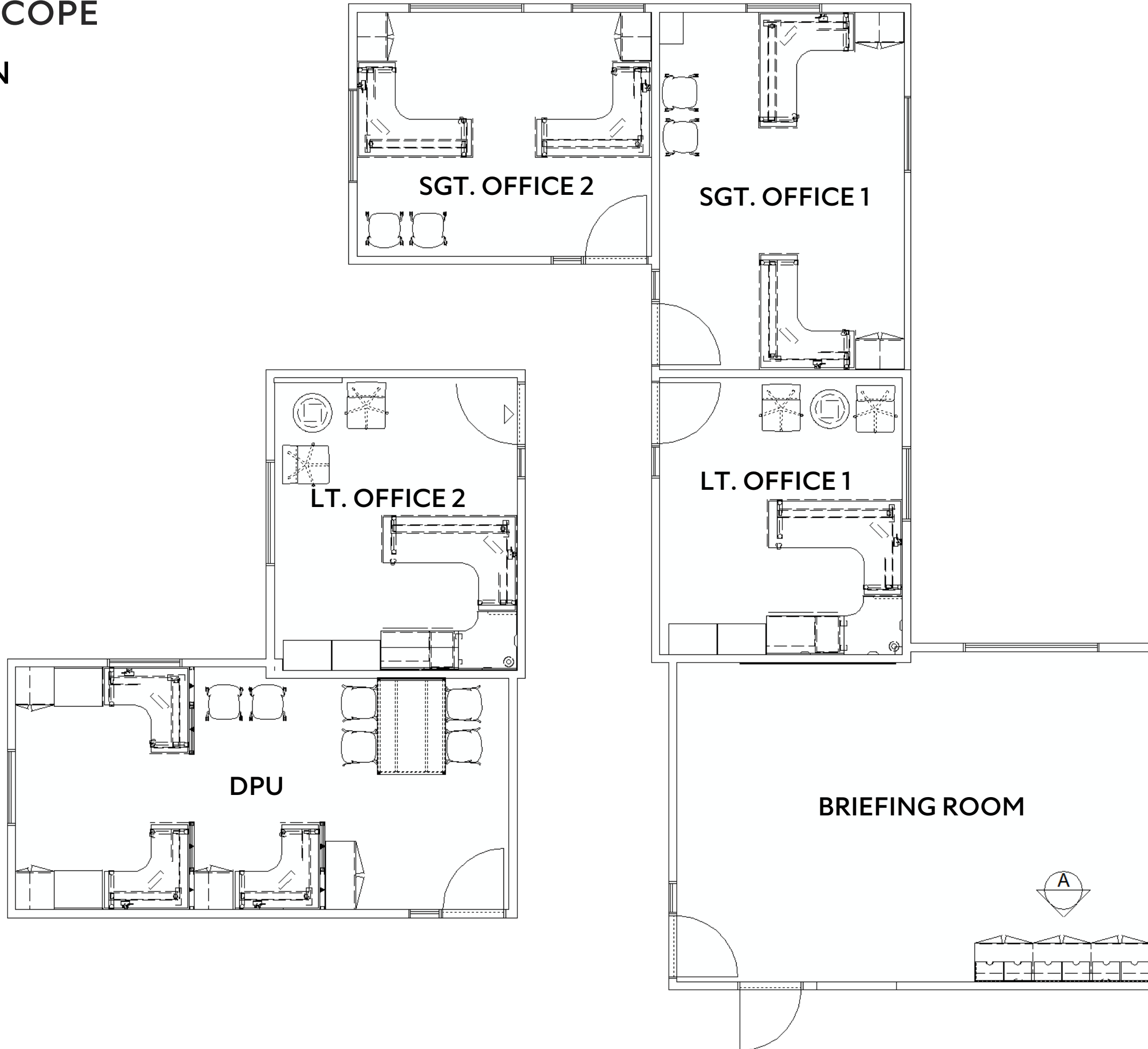


isca

WORKPLACE DESIGN + FURNISHING

AUBURN HILLS POLICE

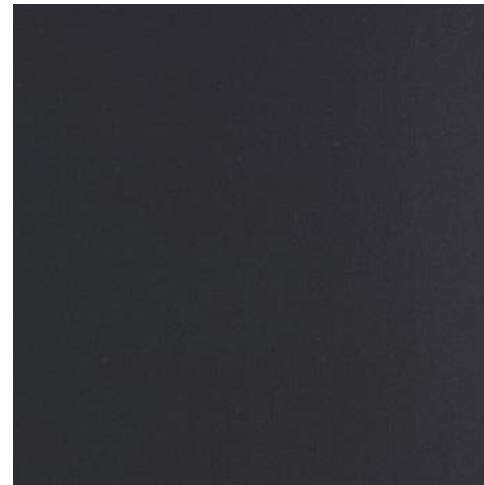
PROJECT SCOPE FLOOR PLAN



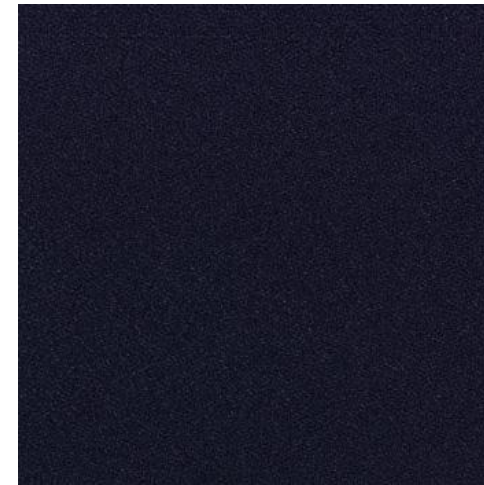
FINISHES



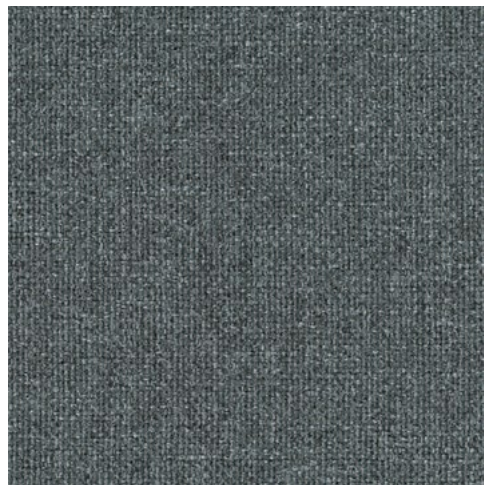
LAMINATE
Landmark Wood



METAL PAINT
Charcoal



TACKBOARDS
Tellure, Navy



PANEL FABRIC
Blanket, Fort



**CHAIR/STOOL
POLY**
Black



**CHAIR/STOOL
LEGS**
Metallic Silver



**LOUNGE CHAIR
VINYL UPHOLSTERY**
Masiala, Inkpad



SLAT WALL PAINT
Cinder



PAPER TRAY PAINT
Platinum Metallic

RENDERINGS

BRIEFING ROOM



RENDERINGS

BRIEFING ROOM



RENDERINGS

DPU



RENDERINGS

DPU



RENDERINGS

LIEUTENANT OFFICE 1



RENDERINGS

LIEUTENANT OFFICE 2



RENDERINGS

SERGEANT OFFICE 1



RENDERINGS

SERGEANT OFFICE 2





THANK YOU!

SHOWROOM

612 N. Main Street
Royal Oak, MI 48067
248.399.1600

EMAIL + WEB

FrontDesk@iscginc.com
www.iscginc.com

**iSCG**

WORKPLACE DESIGN + FURNISHING



ISCG
 612 N. Main St.
 Royal Oak, MI 48067
 Phone: (248)399-1600
 Fax: (248)399-1601
 www.iscginc.com

QUOTE
2655.001
Project 2655
 Date Printed: Apr 30, 2026

Sold To: 15643-00
 CITY OF AUBURN HILLS
 3388 AUBURN RD
 AUBURN HILLS, MI 48326 US

Bill To: 15643-00
 CITY OF AUBURN HILLS
 3388 AUBURN RD
 AUBURN HILLS, MI 48326 US

Install Location: 15643-03
 CITY OF AUBURN HILLS
 1899 N SQUIRREL RD
 AUBURN HILLS, MI 48326 US

Attn:

Attn: Accounts Payable

Attn:

Customer PO	Reference	Sales Person	Terms
	POLICE DEPT OFFICES	STEPHANNIE CHYZ	NET 30

Line	Item	Description	Qty	Unit Price	Extended
1	99K1217DPTM	PERKS,17W,DOUBLE SIDE TRAY, METAL Tag 1:BRIEFING Options: STDM-STANDARD GROUP M, METALLIC 501-PLATINUM METALLIC	30.00	141.57	4,247.10
2	FIT3637SS37P	TRAXX,36WX37H,TILE,37 SLAT, PAINT TRIM CHANNEL Tag 1:BRIEFING Options: STD-STANDARD GROUP 1,NON- METALLIC 462-CINDER	3.00	1,350.45	4,051.35
3	JSPY-0236-SJA	X SERIES,2H X 36"W,CLOSED CABINET,TWO DOORS,PTD DR FRONT,PTD LOCK BAR, ATTACHED MOUNT Tag 1:BRIEFING Options: ,TR-K-CHARCOAL, GRADE A ,LR-BP-CHROME, GRADE A	3.00	405.52	1,216.56
4	KUAF-XXXX	TACKBOARD,WALL-MOUNTED, UNIVERSAL,VARIABLE SIZE, EXACT Tag 1:BRIEFING Options: ,3A- 019 1320.8	5.00	168.55	842.75



ISCG
 612 N. Main St.
 Royal Oak, MI 48067
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 Fax: (248)399-1601
 www.iscginc.com

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 1899 N SQUIRREL RD
 AUBURN HILLS, MI 48326 US

Attn:

Attn: Accounts Payable

Customer PO	Reference	Sales Person	Terms
	POLICE DEPT OFFICES	STEPHANNIE CHYZ	NET 30

Line	Item	Description	Qty	Unit Price	Extended
		1219.2			
5	TTET40	TRAXX,40H,FULL END TRIM Tag 1:BRIEFING Options: STD-STANDARD GROUP 1,NON-METALLIC 462-CINDER	2.00	82.35	164.70
6	TTWMT144	TRAXX,144W,EXTRUSION,SET OF TWO Tag 1:BRIEFING Options: STD-STANDARD GROUP 1,NON-METALLIC 462-CINDER	1.00	406.35	406.35
7	WURA-24A8-LJSA	WORKSURFACE,RECT,24DX108W, LAM,EDGEBAND,STD CORE, NOTCHED Tag 1:BRIEFING Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A	1.00	180.39	180.39
8	SPLY-1349	FILLER PANEL,X SERIES,4.93IN. WX27.338IN.HX1.5IN.D,18.75IN.D STORAGE TO 24IN.D WORKSURFACE,SPC Tag 1:BRIEFING	1.00	59.31	59.31



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 AUBURN HILLS, MI 48326 US

Install Location: 15643-03
 CITY OF AUBURN HILLS
 1899 N SQUIRREL RD
 AUBURN HILLS, MI 48326 US

Attn:

Attn: Accounts Payable

Attn:

Customer PO	Reference	Sales Person	Terms
	POLICE DEPT OFFICES	STEPHANNIE CHYZ	NET 30

Line	Item	Description	Qty	Unit Price	Extended
		Options: ,TR-K-CHARCOAL, GRADE A			
9	LSET-3	HW,LOCK SET, KEYED ALIKE, LOCK PLUG AND KEY, QTY OF 3 Tag 1:BRIEFING	1.00	0.00	0.00
		Options: ,LX-BP-CHROME GRD A			
10	TS00-3R7C	JIVE,24"D,PAIR OF C-LEGS, GLIDES Note:1 2 3 Tag 1:DPU	2.00	192.37	384.74
		Options: ,TR-K-CHARCOAL GRD A			
11	4TJC-72	72" J-CHANNEL CABLE MANAGER, PLASTIC Tag 1:DPU	3.00	115.21	345.63
12	NOTE	72" J-CHANNEL TO BE CUT TO LENGTH ON SITE Tag 1:DPU	1.00	0.00	0.00
13	EUDB-0000-HB	ENH PWR MOD,BRKT,HZ,CLAMP, ABOVE WS,BLK Tag 1:DPU	3.00	35.99	107.97



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 AUBURN HILLS, MI 48326 US

Bill To: 15643-00
 CITY OF AUBURN HILLS
 3388 AUBURN RD
 AUBURN HILLS, MI 48326 US

Install Location: 15643-03
 CITY OF AUBURN HILLS
 1899 N SQUIRREL RD
 AUBURN HILLS, MI 48326 US

Attn:

Attn: Accounts Payable

Attn:

Customer PO	Reference	Sales Person	Terms
	POLICE DEPT OFFICES	STEPHANIE CHYZ	NET 30

Line	Item	Description	Qty	Unit Price	Extended
14	EUS1-PF0B-2100	ENHANCED,SEAMLESS,CORDED-STRAIGHT,6FT.,NO CIRCUIT, BLACK,2 RECEPT,1 USB,NO DATA, NO CABLE GARAGE Tag 1:DPU	3.00	302.61	907.83
15	J2HB-5624-LLPR	X SERIES PST,HNGDDR,56.5 HX24WX24D,B/B/F,VALET,RH, LAM/STL LCKBRDRW,LAM/STL LCKBRDR,LIN PULL - PTD,REG TOP,GLIDE Tag 1:DPU Options: ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A ,LR-BP-CHROME, GRADE A	2.00	980.15	1,960.30
16	J2HE-5624-LLPR	X SERIES PST,HNGDDR,56.5 HX24WX24D,B/B/F,VALET,LH, LAM/STL LCKBRDRW,LAM/STL LCKBRDR,LIN PULL - PTD,REG TOP,GLIDE Tag 1:DPU Options: ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A	1.00	980.15	980.15



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Line	Item	Description	Qty	Unit Price	Extended
		.LR-BP-CHROME, GRADE A			
17	JSPY-0342-SJ	X SERIES,3H X 42"W,CLOSED CABINET,TWO DOORS,PTD DR FRONT,PTD LOCK BAR, FREESTANDING MOUNT Tag 1:DPU Options: .TR-K-CHARCOAL, GRADE A .LR-BP-CHROME, GRADE A	1.00	445.14	445.14
18	JTPL-1842-JYJYS	X SERIES, COMMON TOP, PRD FRNT, LAM TOP, 18.75DX42W, 3MM PLSTC USR, 1MM LH,3MM BCK,1MM RH Tag 1:DPU Options: .H-KM-LANDMARK WOOD, GRADE B .HP-KM-LANDMARK WOOD, GRADE A	1.00	137.55	137.55
19	KUAF-XXXX	TACKBOARD,WALL-MOUNTED, UNIVERSAL,VARIABLE SIZE, EXACT Tag 1:DPU Options: .3A-019 609.6 1016	1.00	82.85	82.85
20	KUAF-XXXX	TACKBOARD,WALL-MOUNTED, UNIVERSAL,VARIABLE SIZE,	3.00	69.50	208.50



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		EXACT			
		Tag 1:DPU			
		Options:			
		,3A-			
		019			
		609.6			
		762			
21	S7S-44-01	MAARI, 4 LEG SIDE CHAIR, POLY SEAT AND BACK, NO ARMS, HARD CASTERS	2.00	203.11	406.22
		Tag 1:DPU			
		Options:			
		,TR-F-BLACK, GRADE A			
		,TR-LE-METALLIC SILVER, GRADE B			
22	S7SB-44-0H	MAARI, 4 LEG BAR HEIGHT STOOL,, POLY SEAT AND BACK, NO ARMS, PLASTIC GLIDE	4.00	324.94	1,299.76
		Tag 1:DPU			
		Options:			
		,TR-F-BLACK, GRADE A			
		,TR-LE-METALLIC SILVER, GRADE B			
23	TJBA-3CXB-G	UPSIDE+,BASE ONLY,3-LEG,C - LEG,SINGLE STAGE, STANDARD PADDLE,23" D, NON-HANDED	3.00	824.00	2,472.00
		Tag 1:DPU			
		Options:			
		,TR-K-CHARCOAL, GRADE A			



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Line	Item	Description	Qty	Unit Price	Extended
24	TRCR-5252-LJSNCBN	UPSIDE, TOP, CORNER, 90 DEG, 52" X52", LAM, 3MM, NO CUTOUT, C-LEG, 23" D, NH Tag 1:DPU Options: .H-KM-LANDMARK WOOD, GRADE B .HP-KM-LANDMARK WOOD, GRADE A	3.00	330.12	990.36
25	TYBA-4260-NNNNNG7A	CULTIVATE, BASE ONLY, 42DX60W, GLD, 39.5H, PTD Tag 1:DPU Options: .TR-K-CHARCOAL, GRADE A	1.00	689.82	689.82
26	TYRA-4260-LJSN	CULTIVATE, RECT, 42DX60W, LAM, EB3, STD CORE, NO CUTOUT Tag 1:DPU Options: .H-KM-LANDMARK WOOD, GRADE B .HP-KM-LANDMARK WOOD, GRADE A	1.00	194.55	194.55
27	VZAL-4200	COMPOSE, VERTICAL LIGHT BLOCK, 42IN Tag 1:DPU	3.00	1.39	4.17
28	VZCC-0024-HS	COMPOSE, TOP TRIM 24IN. W, STL, PNL FRAME	3.00	14.12	42.36



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Line	Item	Description	Qty	Unit Price	Extended
		Tag 1:DPU Options: ,TR-K-CHARCOAL, GRADE A			
29	VZCC-0030-HG	COMPOSE, TOP TRIM 30IN.W, STL, GLZ PANEL	3.00	19.20	57.60
		Tag 1:DPU Options: ,TR-K-CHARCOAL, GRADE A			
30	VZCE-0000-H	COMPOSE, EOR, STEEL TRIM, CLIP, PK OF 5	1.00	14.62	14.62
		Tag 1:DPU			
31	VZCE-5800-H	COMPOSE, PANEL TRIM, END-OF-RUN 58IN.H, STEEL	3.00	19.75	59.25
		Tag 1:DPU Options: ,TR-K-CHARCOAL, GRADE A			
32	VZCW-0000-P	COMPOSE, WALL MOUNT, FITS ALL HEIGHTS	3.00	23.99	71.97
		Tag 1:DPU			
33	VZFF-4230-NNBBNR	COMPOSE, FRM, 42HX30W, BS NOPWR, BSTRM/BSTRM, NO BLT PWR, STD	3.00	65.51	196.53
		Tag 1:DPU Options:			



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Line	Item	Description	Qty	Unit Price	Extended
		,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A			
34	VZFF-5824-NNBBNR	COMPOSE, FRM,58HX24W,BS NOPWR,BSTRM/BSTRM,NO BLT PWR,STD Tag 1:DPU Options: ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A	3.00	65.83	197.49
35	VZGS-1630-1	COMPOSE, GLASS STACK 16IN.H X 30IN.W Tag 1:DPU Options: ,TR-K-CHARCOAL, GRADE A (1G_10C)-CLEAR TEMPERED - 3MM ,1G-10C-CLEAR TEMPERED - 3MM, GRADE A	3.00	209.14	627.42
36	VZTI-3230-FNN	COMPOSE, SINGLE TILE, 32IN. HX30IN.W, FABRIC/TACKABLE, STD CORE, NO TECH Tag 1:DPU Options: (4HV)-BLANKET ,4HV-FT-BLANKET - FORT, GRADE B	6.00	50.27	301.62
37	VZTI-4824-FNN	COMPOSE, SINGLE TILE, 48IN. HX24IN.W, FABRIC/TACKABLE,	6.00	61.02	366.12



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Line	Item	Description	Qty	Unit Price	Extended
		STD CORE,NO TECH Tag 1:DPU Options: (4HV)-BLANKET ,4HV-FT-BLANKET - FORT, GRADE B			
38	WURA-2430-LJSC	WORKSURFACE, RECT,24DX30W, LAM,EDGE BAND,STD CORE,NO CBL MGT, Tag 1:DPU Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A	2.00	62.83	125.66
39	LSET-2	HW,LOCK SET, KEYED ALIKE, LOCK PLUG AND KEY, QTY OF 2 Tag 1:DPU Options: ,LX-BP-CHROME GRD A	3.00	0.00	0.00
40	LSET-1	HW,LOCK SET, KEYED ALIKE, LOCK PLUG AND KEY, QTY OF 1 Tag 1:DPU Options: ,LX-BP-CHROME GRD A	1.00	0.00	0.00
41	4TJC-72	72" J-CHANNEL CABLE MANAGER, PLASTIC	1.00	115.21	115.21



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Line	Item	Description	Qty	Unit Price	Extended
		Tag 1:LT 1			
42	NOTE	72" J-CHANNEL TO BE CUT TO LENGTH ON SITE	1.00	0.00	0.00
		Tag 1:LT 1			
43	EUDB-0000-HB	ENH PWR MOD,BRKT,HZ,CLAMP, ABOVE WS,BLK	1.00	35.99	35.99
		Tag 1:LT 1			
44	EUS1-PF0B-2100	ENHANCED,SEAMLESS,CORDED-STRAIGHT,6FT.,NO CIRCUIT, BLACK,2 RECEPT,1 USB,NO DATA, NO CABLE GARAGE	1.00	302.61	302.61
		Tag 1:LT 1			
45	JFFA-15	X SERIES,LATERAL FILE,FRONT-TO-BACK HANGING BARS,15.5"D	2.00	10.92	21.84
		Tag 1:LT 1			
46	JLPD-0230-LPA	X SERIES,27.5"H X 30"W,LATERAL FILE,FILE,LAM DRW FRNT,PTD LOCK RAIL,ATTACHED,LIN PULL - PTD,GLIDES	1.00	403.51	403.51
		Tag 1:LT 1			
		Options: ,TR-K-CHARCOAL GRD A ,TR-K-CHARCOAL GRD A ,H-KM-LANDMARK WOOD GRD B			



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Line	Item	Description	Qty	Unit Price	Extended
		,HP-KM-LANDMARK WOOD GRD A ,LR-BP-CHROME GRD A			
47	JPAH-24-LP	X SERIES,PEDESTAL,ATTACHED, B/B/F,24"D,LAMDRWFRT, STL LKRL,LIN PULL - PTD Tag 1:LT 1 Options: ,TR-K-CHARCOAL GRD A ,TR-K-CHARCOAL GRD A ,H-KM-LANDMARK WOOD GRD B ,HP-KM-LANDMARK WOOD GRD A ,LR-BP-CHROME GRD A	1.00	284.42	284.42
48	TS00-7DV3	X SERIES,5H X 30"W,CLOSED CABINET,TWO DOORS,LAM DR FRONT,PTD LOCK BAR, FREESTANDING MOUNT,LIN PULL - PTD Note:1 2 3 Tag 1:LT 1 Options: ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A ,LR-BP-CHROME, GRADE A	1.00	658.83	658.83
49	TS00-7DSR	X SERIES,5H X 30"W,WARDROBE, TWO DOORS,LAM DRAWER FRONT,PTD LOCK BAR, FREESTANDING MOUNT,LIN	1.00	572.40	572.40



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Line	Item	Description	Qty	Unit Price	Extended
		PULL - PTD			
		Note:1			
		2			
		3			
		Tag 1:LT 1			
		Options:			
		,TR-K-CHARCOAL, GRADE A			
		,TR-K-CHARCOAL, GRADE A			
		,LR-BP-CHROME, GRADE A			
		,H-KM-LANDMARK WOOD, GRADE			
		B			
		,HP-KM-LANDMARK WOOD,			
		GRADE A			
50	KUAF-XXXX	TACKBOARD,WALL-MOUNTED, UNIVERSAL,VARIABLE SIZE, EXACT	1.00	117.91	117.91
		Tag 1:LT 1			
		Options:			
		,3A-			
		019			
		838.2			
		1219.2			
51	N93CSM	FRINGE,CLUB CHAIR,ARMLESS, STATIC	2.00	1,101.60	2,203.20
		Tag 1:LT 1			
		Tag 2:30012142			
		Options:			
		2-GRADE 2			
		22010-MASIALA INKPAD			
		462-CINDER			
52	TA0M-1378-LF	PLANES,MODESTY PANEL,	1.00	154.85	154.85



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Line	Item	Description	Qty	Unit Price	Extended
		13INX78IN,LAM,FULL Tag 1:LT 1 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A			
53	TCRN-2424-LJSNDN1	JIVE,TBL,RD,LAM,24"X24",EB3,STD,CO:NONE,DISC,N,16"H Tag 1:LT 1 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A ,TR-K-CHARCOAL, GRADE A	1.00	398.25	398.25
54	TJBA-3CXB-G	UPSIDE+,BASE ONLY,3-LEG,C-LEG,SINGLE STAGE, STANDARD PADDLE,23" D, NON-HANDED Tag 1:LT 1 Options: ,TR-K-CHARCOAL, GRADE A	1.00	824.00	824.00
55	TRCE-5882-LJSNCAN	UPSIDE,TOP,90 DEG, WRAP AROUND EXT,58"X82",LAM,3MM, NO CUTOUT,C- LEG,29/23" D, LH Tag 1:LT 1 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD,	1.00	409.16	409.16



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		GRADE A			
56	TS00-37XK	WORKSURFACE SUPPORT PANEL, COMPOSE, 18IN.W,LAM, 3MM EDGE BAND TOP Tag 1:LT 1 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A ,TR-K-CHARCOAL, GRADE A	1.00	92.66	92.66
57	WUCC-0004	CASEGOODS, CONVERGENT SUPPORT COLUMN Tag 1:LT 1 Options: ,TR-K-CHARCOAL, GRADE A	1.00	65.46	65.46
58	WUCR-3636-LJSAN44	WORKSURFACE,CORNER 90 DEG WRAP,36W,LAM,EDGE BAND,STD CORE,NOTCHED,24,24 Tag 1:LT 1 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A	1.00	132.97	132.97
59	WURA-2448-LJSA	WORKSURFACE, RECT,24DX48W, LAM,EDGE BAND,STD CORE, NOTCHED Tag 1:LT 1	1.00	96.13	96.13



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		Options: .H-KM-LANDMARK WOOD, GRADE B .HP-KM-LANDMARK WOOD, GRADE A			
60	ZUBF-0000-PN	FLUSH MOUNT PLATE Tag 1:LT 1	2.00	5.40	10.80
61	LSET-4	HW,LOCK SET, KEYED ALIKE, LOCK PLUG AND KEY, QTY OF 4 Tag 1:LT 1 Options: .LX-BP-CHROME GRD A	1.00	0.00	0.00
62	4TJC-72	72" J-CHANNEL CABLE MANAGER, PLASTIC Tag 1:LT 2	1.00	115.21	115.21
63	NOTE	72" J-CHANNEL TO BE CUT TO LENGTH ON SITE Tag 1:LT 2	1.00	0.00	0.00
64	EUDB-0000-HB	ENH PWR MOD,BRKT,HZ,CLAMP, ABOVE WS,BLK Tag 1:LT 2	1.00	35.99	35.99
65	EUS1-PF0B-2100	ENHANCED,SEAMLESS,CORDED-	1.00	302.61	302.61



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Line	Item	Description	Qty	Unit Price	Extended
		STRAIGHT,6FT.,NO CIRCUIT, BLACK,2 RECEPT,1 USB,NO DATA, NO CABLE GARAGE Tag 1:LT 2			
66	JFFA-15	X SERIES,LATERAL FILE,FRONT- TO-BACK HANGING BARS,15.5"D Tag 1:LT 2	2.00	10.92	21.84
67	JLPD-0230-LPA	X SERIES,27.5"H X 30"W,LATERAL FILE,FILE,LAM DRW FRNT,PTD LOCK RAIL,ATTACHED,LIN PULL - PTD,GLIDES Tag 1:LT 2 Options: ,TR-K-CHARCOAL GRD A ,TR-K-CHARCOAL GRD A ,H-KM-LANDMARK WOOD GRD B ,HP-KM-LANDMARK WOOD GRD A ,LR-BP-CHROME GRD A	1.00	403.51	403.51
68	JPAH-24-LP	X SERIES,PEDESTAL,ATTACHED, B/B/F,24"D,LAMDRWFRT, STL LKRL,LIN PULL - PTD Tag 1:LT 2 Options: ,TR-K-CHARCOAL GRD A ,TR-K-CHARCOAL GRD A ,H-KM-LANDMARK WOOD GRD B ,HP-KM-LANDMARK WOOD GRD A ,LR-BP-CHROME GRD A	1.00	284.42	284.42



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2655.001
Project 2655
 Date Printed: Apr 30, 2026

Sold To: 15643-00
 CITY OF AUBURN HILLS
 3388 AUBURN RD
 AUBURN HILLS, MI 48326 US

Bill To: 15643-00
 CITY OF AUBURN HILLS
 3388 AUBURN RD
 AUBURN HILLS, MI 48326 US

Install Location: 15643-03
 CITY OF AUBURN HILLS
 1899 N SQUIRREL RD
 AUBURN HILLS, MI 48326 US

Attn:

Attn: Accounts Payable

Customer PO	Reference	Sales Person	Terms
	POLICE DEPT OFFICES	STEPHANNIE CHYZ	NET 30

Line	Item	Description	Qty	Unit Price	Extended
69	TS00-7DV3	<p>X SERIES,5H X 30"W,CLOSED CABINET,TWO DOORS,LAM DR FRONT,PTD LOCK BAR, FREESTANDING MOUNT,LIN PULL - PTD</p> <p>Note:1 2 3 Tag 1:LT 2</p> <p>Options: ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A ,LR-BP-CHROME, GRADE A</p>	1.00	658.83	658.83
70	TS00-7DSR	<p>X SERIES,5H X 30"W,WARDROBE, TWO DOORS,LAM DRAWER FRONT,PTD LOCK BAR, FREESTANDING MOUNT,LIN PULL - PTD</p> <p>Note:1 2 3 Tag 1:LT 2</p> <p>Options: ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A ,LR-BP-CHROME, GRADE A ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A</p>	1.00	572.40	572.40
71	KUAF-XXXX	TACKBOARD,WALL-MOUNTED,	1.00	101.77	101.77



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	POLICE DEPT OFFICES	STEPHANNIE CHYZ	NET 30

Line	Item	Description	Qty	Unit Price	Extended
		UNIVERSAL,VARIABLE SIZE, EXACT Tag 1:LT 2 Options: .3A- 019 914.4 914.4			
72	MLWK-3648-M3	MASTERS SERIES,WALLMT TILE KIT,LAM,36IN.HX48IN.W,METAL SHELF,3 TILES Tag 1:LT 2 Options: .H-KM-LANDMARK WOOD, GRADE B .HP-KM-LANDMARK WOOD, GRADE A	1.00	671.86	671.86
73	N93CSM	FRINGE,CLUB CHAIR,ARMLESS, STATIC Tag 1:LT 2 Tag 2:30012142 Options: 2-GRADE 2 22010-MASIALA INKPAD 462-CINDER	2.00	1,101.60	2,203.20
74	TA0M-1378-LF	PLANES,MODESTY PANEL, 13INX78IN,LAM,FULL Tag 1:LT 2 Options: .H-KM-LANDMARK WOOD, GRADE	1.00	154.85	154.85



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Line	Item	Description	Qty	Unit Price	Extended
		B ,HP-KM-LANDMARK WOOD, GRADE A			
75	TCRN-2424-LJSNDN1	JIVE,TBL,RD,LAM,24"X24",EB3, STD,CO:NONE,DISC,N,16"H Tag 1:LT 2 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A ,TR-K-CHARCOAL, GRADE A	1.00	398.25	398.25
76	TJBA-3CXB-G	UPSIDE+,BASE ONLY,3-LEG,C - LEG,SINGLE STAGE, STANDARD PADDLE,23" D, NON-HANDED Tag 1:LT 2 Options: ,TR-K-CHARCOAL, GRADE A	1.00	824.00	824.00
77	TRCE-5882-LJSNCAN	UPSIDE,TOP,90 DEG, WRAP AROUND EXT,58"X82",LAM,3MM, NO CUTOUT,C- LEG,29/23" D, LH Tag 1:LT 2 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A	1.00	409.16	409.16
78	TS00-37XK	WORKSURFACE SUPPORT PANEL, COMPOSE, 18IN.W,LAM, 3MM EDGE BAND TOP	1.00	92.66	92.66



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Line	Item	Description	Qty	Unit Price	Extended
		Tag 1:LT 2 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A ,TR-K-CHARCOAL, GRADE A			
79	UMWL-0048-NMN	ADAPTABLE WOOD,FLOATING METAL SHELF,WALLMT,LTR, 48IN.W Tag 1:LT 2 Options: ,TR-K-CHARCOAL, GRADE A	2.00	346.06	692.12
80	WUCC-0004	CASEGOODS, CONVERGENT SUPPORT COLUMN Tag 1:LT 2 Options: ,TR-K-CHARCOAL, GRADE A	1.00	65.46	65.46
81	WUCR-3636-LJSAN44	WORKSURFACE,CORNER 90 DEG WRAP,36W,LAM,EDGE BAND,STD CORE,NOTCHED,24,24 Tag 1:LT 2 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A	1.00	132.97	132.97
82	WURA-2448-LJSA	WORKSURFACE, RECT,24DX48W,	1.00	96.13	96.13



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Line	Item	Description	Qty	Unit Price	Extended
		LAM,EDGE BAND,STD CORE, NOTCHED Tag 1:LT 2 Options: .H-KM-LANDMARK WOOD, GRADE B .HP-KM-LANDMARK WOOD, GRADE A			
83	ZUBF-0000-PN	FLUSH MOUNT PLATE Tag 1:LT 2	2.00	5.40	10.80
84	LSET-4	HW,LOCK SET, KEYED ALIKE, LOCK PLUG AND KEY, QTY OF 4 Tag 1:LT 2 Options: .LX-BP-CHROME GRD A	1.00	0.00	0.00
85	4TJC-72	72" J-CHANNEL CABLE MANAGER, PLASTIC Tag 1:SGT 1	2.00	115.21	230.42
86	NOTE	72" J-CHANNEL TO BE CUT TO LENGTH ON SITE Tag 1:SGT 1	1.00	0.00	0.00
87	EUDB-0000-HB	ENH PWR MOD,BRKT,HZ,CLAMP, ABOVE WS,BLK Tag 1:SGT 1	2.00	35.99	71.98



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	POLICE DEPT OFFICES	STEPHANIE CHYZ	NET 30

Line	Item	Description	Qty	Unit Price	Extended
88	EUS1-PF0B-2100	<p>ENHANCED,SEAMLESS,CORDED-STRAIGHT,6FT.,NO CIRCUIT, BLACK,2 RECEPT,1 USB,NO DATA, NO CABLE GARAGE</p> <p>Tag 1:SGT 1</p>	2.00	302.61	605.22
89	JVPH-0530-LLP	<p>X SERIES,COMBO UNIT,63.5"H X 30"W,STORAGE,VALET(L),BOX, BOX,FILE,FILE,LAM DRW FRT, LAM DR FRT,PTD LOCK RAIL,LIN</p> <p>Tag 1:SGT 1</p> <p>Options: ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A ,LR-BP-CHROME, GRADE A</p>	1.00	1,479.78	1,479.78
90	JVPN-0530-LLP	<p>X SERIES,COMBO UNIT,63.5"H X 30"W,STORAGE,VALET(R),BOX, BOX,FILE,FILE,LAM DRW FRT, LAM DR FRT,PTD LOCK RAIL,LIN</p> <p>Tag 1:SGT 1</p> <p>Options: ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A</p>	1.00	1,415.23	1,415.23



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	POLICE DEPT OFFICES	STEPHANIE CHYZ	NET 30

Line	Item	Description	Qty	Unit Price	Extended
		,LR-BP-CHROME, GRADE A			
91	S7S-44-01	MAARI, 4 LEG SIDE CHAIR, POLY SEAT AND BACK, NO ARMS, HARD CASTERS Tag 1:SGT 1 Options: ,TR-F-BLACK, GRADE A ,TR-LE-METALLIC SILVER, GRADE B	2.00	203.11	406.22
92	TA0M-1366-LF	PLANES,MODESTY PANEL, 13INX66IN,LAM,FULL Tag 1:SGT 1 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A	2.00	134.65	269.30
93	TJBA-3CXB-G	UPSIDE+,BASE ONLY,3-LEG,C-LEG,SINGLE STAGE, STANDARD PADDLE,23" D, NON-HANDED Tag 1:SGT 1 Options: ,TR-K-CHARCOAL, GRADE A	2.00	824.00	1,648.00
94	TRCE-5870-LJSNCEN	UPSIDE,TOP,90 DEG, WRAP AROUND EXT,58"X70",LAM,3MM, NO CUTOUT,C- LEG,23"D, LH Tag 1:SGT 1 Options:	1.00	379.76	379.76



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Customer PO	Reference	Sales Person	Terms
	POLICE DEPT OFFICES	STEPHANIE CHYZ	NET 30

Line	Item	Description	Qty	Unit Price	Extended
		.H-KM-LANDMARK WOOD, GRADE B .HP-KM-LANDMARK WOOD, GRADE A			
95	TRCE-5870-LJSNCHN	UPSIDE, TOP, 90 DEG, WRAP AROUND EXT, 58" X 70", LAM, 3MM, NO CUTOUT, C- LEG, 23" D, RH Tag 1:SGT 1 Options: .H-KM-LANDMARK WOOD, GRADE B .HP-KM-LANDMARK WOOD, GRADE A	1.00	379.76	379.76
96	LSET-3	HW, LOCK SET, KEYED ALIKE, LOCK PLUG AND KEY, QTY OF 3 Tag 1:SGT 1 Options: .LX-BP-CHROME GRD A	2.00	0.00	0.00
97	4TJC-72	72" J-CHANNEL CABLE MANAGER, PLASTIC Tag 1:SGT 2	2.00	115.21	230.42
98	NOTE	72" J-CHANNEL TO BE CUT TO LENGTH ON SITE Tag 1:SGT 2	1.00	0.00	0.00
99	EUDB-0000-HB	ENH PWR MOD, BRKT, HZ, CLAMP, ABOVE WS, BLK	2.00	35.99	71.98



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Customer PO	Reference	Sales Person	Terms
	POLICE DEPT OFFICES	STEPHANIE CHYZ	NET 30

Line	Item	Description	Qty	Unit Price	Extended
		Tag 1:SGT 2			
100	EUS1-PFOB-2100	ENHANCED,SEAMLESS,CORDED-STRAIGHT,6FT.,NO CIRCUIT, BLACK,2 RECEIPT,1 USB,NO DATA, NO CABLE GARAGE	2.00	302.61	605.22
		Tag 1:SGT 2			
101	JVPH-0530-LLP	X SERIES,COMBO UNIT,63.5"H X 30"W,STORAGE,VALET(L),BOX, BOX,FILE,FILE,LAM DRW FRT, LAM DR FRT,PTD LOCK RAIL,LIN	1.00	1,479.78	1,479.78
		Tag 1:SGT 2			
		Options: ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A ,LR-BP-CHROME, GRADE A			
102	JVPN-0530-LLP	X SERIES,COMBO UNIT,63.5"H X 30"W,STORAGE,VALET(R),BOX, BOX,FILE,FILE,LAM DRW FRT, LAM DR FRT,PTD LOCK RAIL,LIN	1.00	1,415.23	1,415.23
		Tag 1:SGT 2			
		Options: ,TR-K-CHARCOAL, GRADE A ,TR-K-CHARCOAL, GRADE A ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A			



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Line	Item	Description	Qty	Unit Price	Extended
		,LR-BP-CHROME, GRADE A			
103	S7S-44-01	MAARI, 4 LEG SIDE CHAIR, POLY SEAT AND BACK, NO ARMS, HARD CASTERS Tag 1:SGT 2 Options: ,TR-F-BLACK, GRADE A ,TR-LE-METALLIC SILVER, GRADE B	2.00	203.11	406.22
104	TA0M-1366-LF	PLANES,MODESTY PANEL, 13INX66IN,LAM,FULL Tag 1:SGT 2 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A	2.00	134.65	269.30
105	TJBA-3CXB-G	UPSIDE+,BASE ONLY,3-LEG,C - LEG,SINGLE STAGE, STANDARD PADDLE,23" D, NON-HANDED Tag 1:SGT 2 Options: ,TR-K-CHARCOAL, GRADE A	2.00	824.00	1,648.00
106	TRCE-5870-LJSNCEN	UPSIDE,TOP,90 DEG, WRAP AROUND EXT,58"X70",LAM,3MM, NO CUTOUT,C- LEG,23"D, LH Tag 1:SGT 2 Options:	1.00	379.76	379.76



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Line	Item	Description	Qty	Unit Price	Extended
		,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A			
107	TRCE-5870-LJSNCHN	UPSIDE, TOP, 90 DEG, WRAP AROUND EXT, 58" X 70", LAM, 3MM, NO CUTOUT, C- LEG, 23" D, RH Tag 1:SGT 2 Options: ,H-KM-LANDMARK WOOD, GRADE B ,HP-KM-LANDMARK WOOD, GRADE A	1.00	379.76	379.76
108	LSET-3	HW, LOCK SET, KEYED ALIKE, LOCK PLUG AND KEY, QTY OF 3 Tag 1:SGT 2 Options: ,LX-BP-CHROME GRD A	2.00	0.00	0.00
109	SURCHARGE	KIMBALL OFFICE - SURCHARGE Tag 1:SURCHARGE	1.00	162.73	162.73
110	SURCHARGE	HAWORTH SURCHARGE Tag 1:SURCHARGE	1.00	2,914.54	2,914.54
111	DESIGN	ISCG DESIGN FEE PER MIDEAL CONTRACT Tag 1:DESIGN	1.00	1,619.62	1,619.62



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Line	Item	Description	Qty	Unit Price	Extended
112	LABOR	LABOR TO RECEIVE, DELIVER AND INSTALL Note:PER MIDEAL CONTRACTS NON UNION RATES DURING NORMAL BUSINESS HOURS Tag 1:LABOR Tag 2:9538-REVISED	1.00	7,187.50	7,187.50
113	PM	ISCG PROJECT MANAGEMENT FEE Tag 1:PM	1.00	430.00	430.00
114	COMMENT	HAWORTH STATE OF MICHGAN MIDEAL CONTRACTS Tag 1:CONTRACT	1.00	0.00	0.00
115	COMMENT	KIMBALL INTERNATIONAL - OMNIA CONTRACT R240108 Tag 1:CONTRACT	1.00	0.00	0.00

This Quote Expires on April 30, 2026

PRICING SUBJECT TO CHANGE AT ANY TIME DUE TO TARIFFS.

Subtotal	66,080.66
Total Tax	0.00
Total Amount - USD	66,080.66
Deposit Required	33,040.33



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Remit To:
 ISCG
 612 N. Main St.
 Royal Oak, MI 48067

Print Name **Title**

Signature **Date**



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Terms and Conditions

1. This Proposal is not a binding order unless signed by an authorized representative of the Buyer and accepted by a Manager at INTERIOR SYSTEMS CONTRACT GROUP INC. ("ISCG").
2. If requested by ISCG, the Buyer agrees to provide reasonable financial information necessary to approve credit. ISCG reserves the right to modify the terms of this Proposal, including deposit requirement, based on the information obtained.
3. The Buyer warrants that any financial information provided to ISCG is true and correct.
4. Product purchased on this Proposal is not cancelable or returnable.
5. All imposed tariffs assessed after order placement, and applicable sales and use taxes will be added at the time of invoicing and are the responsibility of the Buyer.
6. The Buyer agrees to ISCG's NET 30 payment terms. Payment in full is required on all delivered product. Payment for incorrect, or damaged product, may be withheld until issue is resolved or product replacement is delivered. Should Buyer be unable to accept delivery when product is available, Buyer agrees to be invoiced and ISCG will warehouse product for 30 days at no charge.
7. In the event of construction delays, or other causes not within ISCG's control, force postponement of the delivery and/or installation beyond 30 days, the products will be stored until installation can take place. The products will be considered accepted by the Buyer for purposes of invoicing and payment. The Buyer agrees to pay any reasonable storage charges incurred.
8. In the case of partial deliveries, the Buyer will accept invoice for all products delivered.
9. Delivery and installation will be made during normal business hours utilizing non-union labor. Buyer agrees to pay any additional charges resulting from overtime work, and/or union labor, performed at the Buyer's request.
10. Interest will be charged at the higher of 18% per annum, or the maximum rate permitted by law, on all past due amounts.
11. Buyer grants ISCG a security interest in the products described in this Proposal until full payment has been received. Buyer agrees to keep product free and clear of all claims and liens until ISCG has been paid in full.
12. ISCG is authorized to file a UCC-1 to further protect its security interest in any unpaid products.
13. Buyer understands and agrees that ISCG is not responsible for a manufacturer's inability to meet their estimated or expected ship dates. There is no offset, or other price reduction, due to a manufacturer delay.
14. Buyer must provide a free and clear job site during the installation. Elevator service and adequate facilities for offloading, staging,



ISCG
 612 N. Main St.
 Royal Oak, MI 48067
 Phone: (248)399-1600
 Fax: (248)399-1601
 www.iscginc.com

QUOTE
2655.001
Project 2655
Date Printed: Apr 30, 2026

Sold To: 15643-00
 CITY OF AUBURN HILLS
 3388 AUBURN RD
 AUBURN HILLS, MI 48326 US

Bill To: 15643-00
 CITY OF AUBURN HILLS
 3388 AUBURN RD
 AUBURN HILLS, MI 48326 US

Install Location: 15643-03
 CITY OF AUBURN HILLS
 1899 N SQUIRREL RD
 AUBURN HILLS, MI 48326 US

Attn:

Attn: Accounts Payable

Attn:

Customer PO	Reference	Sales Person	Terms
	POLICE DEPT OFFICES	STEPHANIE CHYZ	NET 30

moving, and handling of products must also be provided by the Buyer and without charge to ISCG. The Buyer is responsible for securing all necessary building permits.

15. Buyer is responsible for any damage to, or loss of, products after delivery. Until ISCG has been paid in full, Buyer shall maintain a policy of fire, and extended coverage insurance, on the full value of all products with loss payable to ISCG.
16. ISCG assigns all rights derived from the manufacturer's warranties to Buyer to the extent such rights are assignable. There are no other warranties, or extended warranties, provided as part of this Proposal.
17. Any controversy or claim arising out of, or relating to, this Proposal and Terms and/or Conditions, or any breach thereof, shall be settled in accordance with the Rules of the American Arbitration Association and judgment upon the award may be entered in any court.
18. Buyer agrees to pay ISCG's attorney's fee and all other costs incurred in the enforcement of these Terms and Conditions.
19. The use of VISA, MasterCard or American Express for deposits and/or invoice payments, above \$2,000, will be assessed an additional fee equal to 2.0% of the amount charged.
20. The Proposal and Terms and Conditions represent the entire Agreement between Buyer and ISCG and may not be changed without ISCG Management's written authorization.



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 7D

POLICE DEPARTMENT

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Ryan Gagnon, Chief of Police
Submitted: May 27, 2026
Subject: Motion – Approval to Purchase Traffic Management Software

INTRODUCTION AND HISTORY

Identifying, responding to, and addressing traffic complaints in the community has always been a priority for the Police Department. Our city experiences a significant volume of vehicular traffic traveling through the community on a daily basis. Traffic complaints are primarily addressed through manual data collection methods using portable traffic counters deployed by officers. While these methods provide useful information, the process is labor intensive, time consuming, and limited in its ability to provide comprehensive, real time traffic analysis across the city.

Over the last 5 years, the department has been challenged with staffing levels and had to temporarily discontinue a directed patrol/traffic unit. This unit has since been supplemented with officers on overtime to work traffic enforcement in the community, particularly in our neighborhoods. Officers are assigned to locations based on traffic complaints, identified problem locations, and high crash locations. It can be challenging to prioritize selective enforcement locations and to utilize our resources in the most effective and efficient manner.

Staff were recently notified of traffic management software that is currently available to enhance our operational efficiency in handling traffic complaints and data collection. Urban SDK approached us with their product in 2025, and their representatives met with our staff numerous times to discuss their software and how it can assist our operations. Urban SDK utilizes vehicle telematics, which is about 35%-40% of vehicles on the road today, with this number increasing monthly. Data from vehicle infotainment systems, GPS, XM radio, Apple Car Play, etc. are examples of systems that share data with 3rd party companies and provide Urban SDK with speed data and traffic volume data. Urban SDK takes this data, inputting it into their systems to provide real-time traffic data for local, county, and state government agencies. This same data is utilized by the United States Department of Transportation. There is absolutely no personal information shared with Urban SDK and law enforcement does not have access to personal information such as vehicle owner, vehicle make or model, or any other identifying information from vehicles.

Urban SDK provides us with real-time traffic data to identify locations throughout the community where drivers exceed the speed limit based on thresholds and filters in the system. For example, the software can quickly identify road segments in our community where the 85th or 90th percentile of drivers exceed the speed limit. It can also provide immediate data to address traffic complaints, such as the days of the week or times of day when vehicles are more likely to be speeding. Essentially, this program will enhance our efficiency by directing our resources to identified problem locations, with data to support it.

Urban SDK is the sole source provider of this traffic management software. They have also been selected by Sourcwell, through a competitive bid process (060624-VTO) for traffic management software, which our city is a participant of Sourcwell. Staff also did our due diligence in determining if there are any other companies that currently provide this service. We learned that the only other companies that provide this traffic management

software rely on installed infrastructure throughout the community to collect data and no companies provide the comprehensive traffic management software that Urban SDK provides.

The Sourcewell quote for one year is \$26,200.00. Urban SDK was able to provide us with a discount beyond that of the Sourcewell quote, which is \$23,580.00 for one year. There is a discount by signing a multi-year contract, however staff believe it is in the city's best interest to try the software out for one year and then decide on continuation of the software for future years.

Urban SDK is currently being utilized in the following Michigan communities; Novi, Battle Creek, Muskegon, Saginaw, Westland, Ypsilanti, and Washtenaw County.

\$25,000 was budgeted in the 2026 approved budget for this program.

CITY MANAGER'S NOTE: It is a prudent decision on the part of the Police Department to obtain a one-year license prior to entering into a long-term agreement without knowing the level of success we will gain from the product.

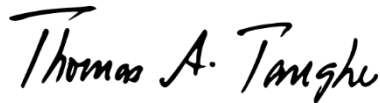
STAFF RECOMMENDATION

Approve the purchase of traffic management software with a one-year license from Urban SDK.

MOTION

Move to approve the purchase of traffic management software from Urban SDK in an amount not to exceed \$23,580.00; and authorize the Chief of Police to execute the Agreement on behalf of the City.

I CONCUR:



THOMAS A. TANGHE, CITY MANAGER



Urban SDK

&

City of Auburn Hills, Michigan

Prepared For:
 Ryan Gagnon
 City of Auburn Hills, Michigan

Prepared By:
 Ross Loehr
 Urban SDK

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About Us

Urban SDK is a leading provider of geospatial AI solutions, equipping public leaders with actionable insights and automation for mission-critical decisions. Established in 2018 and headquartered in Jacksonville, Florida, Urban SDK is the only platform on the market that provides a comprehensive System of Action to state and local governments. Our team of military veterans, engineers, scientists, policymakers, and entrepreneurs are all committed to the same unified vision: easing the burdens of community leaders through innovation.

Our System of Action unifies data, workflows, and AI so local governments can break free from technical debt and respond to changing conditions at scale. In doing so, Urban SDK's approach delivers measurable ROI to each of our customers, enabling agencies to recapture time, budget and precision in order to accelerate projects, refine resource allocations and respond more quickly to their constituents.

Our partners throughout North America leverage Urban SDK to help:

- Replace manual data collection and empower decision making
- Orchestrate regulated processes and operating procedures
- Align staff with decision support systems to increase efficiency
- Connect disparate departments to achieve common goals
- Enable officials to adjust actions based on changing conditions

Popular Use Cases



Including Traffic Calming, Urban SDK aids clients with daily mission critical objectives such as:

- **Traffic Calming** - Reducing speeds and improving pedestrian/bike safety
- **Traffic Enforcement** - Proactively reducing risky driving behaviors and ensuring compliance with traffic codes
- **School Zone Safety** - Reducing speeds and improving safety near schools
- **Work Zone Monitoring** - Monitoring traffic, safety, and compliance around road construction zones
- **Traffic Safety Analysis** - Prioritizing resources where crime and traffic risks overlap
- **Event Impact Monitoring** - Tracking congestion, blocked emergency lanes, and road closures before, during, and after major events
- **Cut-Through Traffic** - Identifying local residential streets or unintended routes used to bypass congestion, accidents, or delays on main thoroughfares
- **Sidewalk Inventory** - Performing ADA audits and safety workflows without field visits

Traffic Calming

Definition

Traffic calming is a set of strategies and roadway design measures aimed at reducing speeds, discouraging cut-through traffic, and improving pedestrian/bike safety.



Challenges of the Current Process

80% of traffic calming requests are perception issues and never meet local ordinance or criteria standards. Collecting manual data for these perception issues is a massive drain on resources and budgets.



How Urban SDK Solves These Issues

With Urban SDK, agencies now have the ability to identify roadways that qualify for traffic calming prior to complaints. They are able to cut back on a majority of the historical data previously collected, and focus on areas that meet calming criteria.

Key Objectives Improved by Urban SDK



Speed reduction



Safety improvements



Volume control



Livability goals

Required Urban SDK Data

01 Speed Module

02 Volume Module

Add-On Options

01 Workflows (Highly recommended)

02 Crash Integration (Could be a requirement-based agency policy)

Platform Features

 Satellite/aerial maps

 Measurement tools

 Geofencing and layering

 Dashboards and reports

Departments that Benefit



Public Works

More efficient calming investments



Engineering

Quicker preparation of studies & plans



Planning

Aligns calming with mobility/zoning



Law Enforcement (Traffic Division)

Enforces in calm areas



Elected Officials

Political champions for livability



Statement of Work (SOW)

Goals

The purpose of this Statement of Work (SOW) is to define the scope, deliverables, and responsibilities associated with Urban SDK's provision of roadway data for City of Auburn Hills, Michigan.

This engagement will deliver comprehensive datasets that support the organization's safety, planning, and operational analysis initiatives.

Scope of Services

1. Traffic Speed Data

Urban SDK will provide the client with traffic speed datasets for all jurisdictional roadways. Deliverables include:



50th, 85th, and 95th Percentile Speed



Speed Limits for Jurisdictional Roadways



Speed Differences of: Average Speed, 85th and 95th Percentile



Functional Road Classes 1-5 data

2. Workflows

Urban SDK will provide the client automated workflows that users schedule to run weekly, monthly, quarterly, or annually. Users will automatically receive reports on their data without the need for recurring manual input. Deliverables include:



Automated Workflows



Email and in-app notifications



Setup and support from dedicated Urban SDK representatives

3. User Access & Training



Urban SDK User Seats
Licensed user seats for staff to access Urban



Training & Onboarding
Virtual onboarding sessions and webinars covering data



Knowledge Base Access

SDK (annual license).

access, interpretation, and reporting.

"How-to" articles, video tutorials, and live support.

4. Customer Support



Channels: Live chat and email support.



Coverage: Standard business hours with SLA defined under Urban SDK's Terms of Service.



Included Services: No additional cost for support during contract term.

Responsibilities



Urban SDK

- ✔ Provide data access and updates as defined in this SOW.
- ✔ Conduct onboarding and training sessions for staff.
- ✔ Conduct a full Q&A of all data to ensure locations and results meet the client's needs.
- ✔ Maintain application uptime and ensure timely delivery of data.
- ✔ Provide customer support throughout the engagement.

City of Auburn Hills, Michigan



Provide designated points of contact for project oversight and user access assignments.



Ensure timely attendance at training and onboarding sessions.

Pricing & Fees

Pricing Overview

Contract Start Date	June 15, 2026
Contract End Date	June 15, 2027
Proposal Expires	June 15, 2026

Products & Services

Modules

	Price	Contract term	Total	
Insights Plan	\$26,500.00 per year	1 year	\$26,500.00 per year	∨
Workflows	\$3,975.00 per year	1 year	\$3,975.00 per year	∨
Customer Support	\$2,000.00		\$2,000.00	∨
Implementation	\$2,000.00		\$2,000.00	∨

Section total \$34,475.00

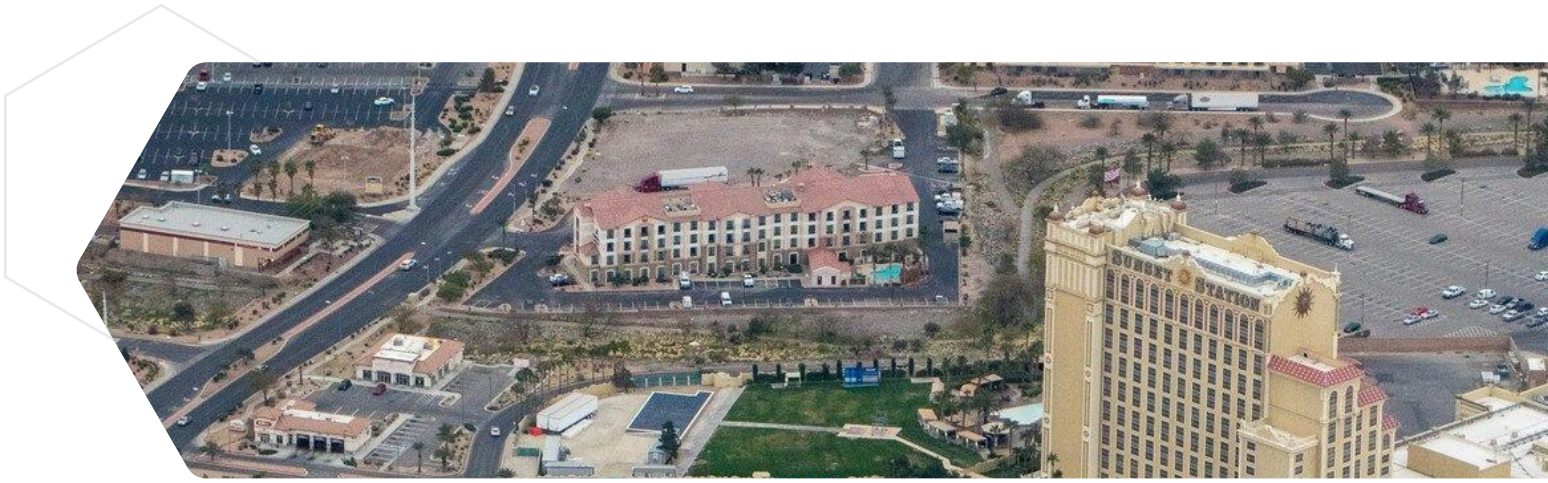
Recurring subtotal \$30,475.00
per year

Customer Support and
Implementation Fee Waived \$4,000.00

Carry forward of 2025 Pricing-
Discount % 20 %

Total \$23,580.00

You'll save \$10,895.00



Proposal Comments

60-Day Free Trial: Volume Module

Volume Module

- Average Annual Daily Traffic (AADT) for all road classes
- Average Annual Hourly Traffic (AAHT) for all road classes
- Vehicles Miles Traveled (VMT) for all road classes

Trial begins after first implementation call

Discounted Pricing Options:

1. 2-Year Agreement:

- An additional 5% discount on the total contract value for committing to a 2-year agreement.
- This locks in consistent data reporting and analysis over two years, ensuring long-term access to Speed and Volume data at a reduced rate.
- Total = \$22,401 per year

2. 3-Year Agreement:

- A 10% discount on the total contract value for committing to a 3-year agreement.
- This option provides even greater value with long-term planning and budgeting security, along with continuous data updates and access to historical data integration.
- Total = \$21,222 per year

Our agreement is effective as of the Effective Date set forth below, is entered into by and between the Buyer identified as Customer below (“Customer”) and Urban SDK, Inc., a Delaware corporation, with its principal place of business located at 10151 Deerwood Park Boulevard, Building 100 Ste 100 Jacksonville, Florida 32256 (“Urban SDK”). The parties acknowledge and agree that they have read and understand this Agreement and, upon execution, are legally bound by it. This Agreement includes this “Signature” or any other ordering document referencing this Agreement, the Terms and Conditions available below, all statements of work entered into in connection with this Agreement (“Statement(s) of Work”).

Client Signature

Signature

Date

Printed name

Urban SDK Signature

Countersignature

Date

Printed name

Urban SDK Signature

Countersignature

Date

Printed name

Terms and Conditions

This website, www.urbansdk.com (the "site"), is owned and operated by UrbanSDK, Inc. and our affiliates ("Urban SDK", "we" or "us"). By using the site, services provided on the site, our proprietary software made available to you via the site, or content we make available to you through the services (collectively, "Services"), you agree to be bound by the following Terms and Conditions, as updated from time to time (collectively, the "Terms").

1. General

GENERAL. The following terms and conditions ("Terms and Conditions") provide for terms that are common to this Agreement, including all Ordering Documents and Schedules. In the event of a conflict between these Terms and Conditions and any Ordering Document or Schedule, these Terms and Conditions will control, unless expressly stated to the contrary in the Ordering Document or Schedule. The Signature Page, any Statement of Work, and any other ordering document incorporating these Terms and Conditions by reference are individually and collectively referred to as "Ordering Document(s)."

2. Services

- 2.1. General.** All services provided by Urban SDK under this Agreement ("Services"), including the Software Services, will be provided to Customer according to these Terms and Conditions, the Ordering Documents, and all schedules, exhibits, or other attachments made a part of this Agreement.
- 2.2. Third-Party Services.** As set forth in an Ordering Document, the Services may include Customer's utilization of certain third-party software and data developed and owned by Urban SDK's third party licensors. This software and data is neither sold nor distributed to Customer, and Customer may use it solely as part of the Services and for no other purpose. Customer may not transfer such third-party software outside the Services or to any other person or entity. Except as otherwise provided for in an Ordering Document, Urban SDK and Urban SDK's third-party software and data licensors are not responsible for providing any support in connection with the Services or the third-party software. Customer's use of any such third-party software and data is governed by the third-party software or data licensor's terms as may be referenced and incorporated into an applicable Ordering Document. Customer covenants to comply with the terms of such third-party licensor's terms as if Customer were the licensee.
- 2.3. Change Orders.** If either party wishes to change the scope or performance of the Services, it shall submit details of the requested change to the other in writing. Urban SDK shall, within a reasonable time after such request, provide a written estimate to Customer of: (a) the likely time required to implement the change; (b) any necessary variations to the fees and other charges for the Services arising from the change; (c) the likely effect of the change on the Services; and (d) any other impact the change might have on the performance of this Agreement. Promptly after receipt of the written estimate, the parties shall

negotiate in good faith the terms of such change (if and when mutually agreed in writing, a "Change Order"). Neither party shall be bound by any Change Order unless mutually agreed upon in writing.

3. Software Services

3.1. Software Services. Urban SDK will provide Customer, and its authorized employees, contractors and other personnel authorized by Customer ("End Users") with access to the software products and related services provided by Urban SDK via a web browser (or mobile application) and identified on the applicable Ordering Document ("Software Services"). During the Term and subject to Customer's compliance with this Agreement, Urban SDK grants Customer the non-exclusive, nontransferable, non-assignable, and limited right to allow End Users to remotely access the Software Services for Customer's internal business purposes in accordance with the terms of this Agreement.

3.2. Restrictions. Customer shall not lease, license, sell, sublicense or otherwise transfer its access to or use of the Software Services. The Software Services may only be used by Customer and End Users. In addition, Customer shall not modify, create derivative works of, or attempt to decipher, decompile, disassemble or reverse engineer the Software Services. Nothing in this Agreement confers upon either party any right to use the other party's Marks, except in Urban SDK's performance of the Services. All use of such Marks by either party will inure to the benefit of the owner of such Marks, use of which will be subject to specifications controlled by the owner.

4. Professional Services

4.1. Professional Services. Urban SDK may provide integration, implementation, or other professional services (each to the extent identified as professional services on a Statement of Work, "Professional Services") and Deliverables to Customer as set forth in a Statement of Work. "Deliverables" means all Creations that are delivered to Customer by or on behalf of Urban SDK as a part of the Professional Services, together with any items identified as such in a Statement of Work. "Creations" means any tangible or intangible thing or information, in any language, format or medium now existing or hereafter developed, and all tangible embodiments thereof, whether or not such creation is or may in the future be protected under any intellectual property right or considered Confidential Information, including ideas, creations, inventions, discoveries, innovations, industrial models, improvements, designs, methods, processes, formulae, works of authorship, products, compositions, displays, models, prototypes, samples, findings, documentation, specifications, abstracts, research and development information, know-how, procedural knowledge, industrial property, utility models, data, databases, metadata, industrial designs, mask works, Confidential Information, content, lists, electronic data files, training materials and manuals, user guides, drawings, techniques, computer software (in object, source, interpreted or other code forms), modifications to software or documentation, business information, business plans, technical knowledge, technical information, maintenance information, brochures, labels, papers, records, text, sound recordings, videos, pictures, photographs, audiovisual works,

pictorial reproductions, drawings, or other graphical representations, and all other items with similar characteristics.

- 4.2. **Acceptance.** Any software constituting a Deliverable (each a “Software Deliverable”) shall be subject to acceptance by Customer to ensure that it meets the specifications of this Agreement and the applicable Statement of Work. If Customer does not reject any final Software Deliverable within 10 days of delivery, such Software Deliverable shall be deemed accepted. If any final Software Deliverable does not materially meet the applicable specifications, Customer shall notify Urban SDK of such nonconformities in reasonable detail, and Urban SDK will, at no additional cost, use commercially reasonable efforts to promptly correct such Software Deliverable so that it conforms to the applicable specifications. If within 30 days of such Customer notification, any final Software Deliverable still does not meet the specifications, Customer may at any time thereafter, as its sole remedy, terminate the applicable Statement of Work, return the Software Deliverable and all copies thereof to Urban SDK, and receive a refund of any fees or expenses paid in connection with such Software Deliverable.
- 4.3. **Urban SDK Personnel.** Urban SDK shall appoint an Urban SDK employee to serve as a primary contact with respect to any Professional Services (the “Urban SDK Contract Manager”). Urban SDK shall also appoint Urban SDK Personnel, who shall be suitably skilled, experienced, and qualified to perform the Professional Services. Additionally, Urban SDK may subcontract parts of the Professional Services to affiliated companies or third parties, provided that Urban SDK shall remain responsible for the performance of the Professional Services. In the event that any Urban SDK’s Personnel does not perform to Customer’s reasonable satisfaction, Urban SDK shall remove such Urban SDK’s Personnel and replace him or her with a similarly qualified Urban SDK Personnel. Urban SDK is responsible for all Urban SDK Personnel and for the payment of their compensation, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers’ compensation insurance payments, disability benefits, pensions, retirement benefits, insurance, and other benefits.
- 4.4. **License and Consents.** Urban SDK shall maintain all necessary licenses and consents and comply with all laws applicable to the provision of the Professional Services.
- 4.5. **Tools, Labor, Materials and Supplies.** Unless otherwise provided in a Statement of Work, Urban SDK shall provide, at its expense, all tools, materials, supplies, labor, and equipment necessary to perform the Professional Services.

5. Rights Reserved

Customer and its licensors are, and shall remain, the sole and exclusive owner of all right, title and interest in and to the “Customer Materials” (as defined in an applicable Statement of Work, if applicable), including all intellectual property rights therein. Urban SDK shall have no right or license to use any Customer Materials except during the Term to the extent necessary to provide the Professional Services to Customer. All other rights in and to the Customer Materials are expressly reserved by Customer. All right, title and

interest, including all intellectual and proprietary rights, in and to the Software Services, Deliverables, and all Urban SDK service marks, trademarks, trade names, logos, and any modifications to the foregoing ("Marks") (and all suggestions, feedback, contributions, enhancements, improvements, additions, modifications, or derivative works thereto and copies thereof) will remain in possession of Urban SDK. Customer acknowledges that the Software Services in source code form is the Confidential Information of Urban SDK and that the source code is not licensed to Customer by this Agreement or any Schedule and will not be provided by Urban SDK. No right or implied license or right of any kind is granted to Customer regarding the Services, including any right to use, reproduce, market, sell, translate, distribute, transfer, adopt, disassemble, decompile, reverse engineer the Software Services or the documentation thereof, or any portions thereof, or obtain possession of any source code or other technical material relating to the Software Services.

6. Fees and Payment Terms

6.1. **Services Fees.** For the Services provided under this Agreement, Customer will pay Urban SDK the fees in the amounts set forth on the applicable Ordering Document. Unless otherwise set forth on the applicable Ordering Document, applicable fees will be invoiced to Customer annually in advance and payable (i) immediately upon invoice if Customer's payment method is on file with Urban SDK, or (ii) if no payment method has been provided to Urban SDK, within thirty (30) days of invoice. Fees are non-cancelable and non-refundable. In the event of early termination of this Agreement other than due to Urban SDK's breach, all amounts outstanding that would have otherwise been due through the end of the then-current Term shall automatically be due and payable by Customer upon termination.

6.2. **Fee Changes.** After the Initial Term, and at the beginning of each Renewal Term thereafter, Urban SDK may adjust the fees applicable during the upcoming Renewal Term upon written notice provided at least sixty (60) days prior to the end of the Initial Term or applicable Renewal Term, as the case may be. All fees paid and expenses reimbursed under this Agreement will be in United States currency. Urban SDK may increase pricing and fees on an annual basis by the greater of: (a) six percent (6%) per annum, or (b) the percentage by which the then most-recently published Consumer Price Index in the United States for all Urban Consumers (Index base: 1982/1984 = 100; Index Components: All Items) ("CPI") exceeds the CPI as of the Effective Date or, if later, the immediately preceding change in pricing. Additionally, Upon written notice to Customer at least thirty (30) days prior to effectiveness, Urban SDK may increase the amount of the fees in an Ordering Document relating to, if applicable: (a) data storage and/or relational databases if the applicable cloud data provider has increased the prices paid by Urban SDK for such data storage and/or relational databases, and any such increase shall be proportionate to the increase imposed upon Urban SDK by the applicable utility provider; and (b) the cost of third party Services or services (including software and datasets) performed or provided by a third party that comprise all or some part of the Services including any increases to such costs.

- 6.3. **Late Fees.** Customer will pay a late fee of 1.5% per month (not to exceed the maximum allowed under state law) on all balances not paid when due. Urban SDK, at its option, may suspend the Services, in whole or in part, if Urban SDK does not receive all undisputed amounts due and owing under this Agreement within thirty (30) days after delivery of notice to Customer of the failure to pay such overdue balances.
- 6.4. **Taxes.** The fees and expenses due to Urban SDK as set forth in this Agreement are net amounts to be received by Urban SDK, exclusive of all sales, use, withholding, excise, value added, ad valorem taxes or duties incurred by Customer or imposed on Urban SDK in the performance of this Agreement or otherwise due as a result of this Agreement. This section will not apply to taxes based solely on Urban SDK'S income.
- 6.5. **Offset.** Fees and expenses due from Customer under this Agreement may not be withheld or offset by Customer against other amounts for any reason.

7. **Customer Acknowledgements.**

- 7.1. **Customer Requirements.** Customer must have required equipment, software, and Internet access to be able to use the Software Services. Acquiring, installing, maintaining and operating equipment and Internet access is solely Customer's responsibility. Urban SDK neither represents nor warrants that the Software Services will be accessible through all web browser releases. Customer shall take all steps necessary for Urban SDK to perform the Services effectively, including with respect to (a) providing access to Customer's resources or staff as needed to perform the Services; (b) maintaining, testing, configuring, operating, and upgrading Customer's data, applications, server hardware, operating system, environment, and facilities, as applicable, related to the Services.
- 7.2. **Use of Software Services.** Customer shall not and shall not permit others in using the Software Services to: (i) defame, abuse, harass, stalk, threaten or otherwise violate or infringe the legal rights (such as rights of privacy, publicity and intellectual property) of others or Urban SDK; (ii) publish, ship, distribute or disseminate any harmful, inappropriate, profane, vulgar, infringing, obscene, false, fraudulent, tortuous, indecent, unlawful, immoral or otherwise objectionable material or information (including any unsolicited commercial communications); (iii) publish, ship, distribute or disseminate material or information that encourages conduct that could constitute a criminal offense or give rise to civil liability; (iv) engage in any conduct that could constitute a criminal offense or give rise to civil liability for Urban SDK; (v) misrepresent or in any other way falsely identify Customer's identity or affiliation, including through impersonation or altering any technical information in communications using the Software Services; (vi) transmit or upload any material through the Software Services contains viruses, trojan horses, worms, time bombs, cancelbots, or any other programs with the intent or effect of damaging, destroying, disrupting or otherwise impairing Urban SDK, or any other person's or entity's, network, computer system, or other equipment; (vii) interfere with or disrupt the Software Services, networks or servers connected to the Urban SDK systems or violate the regulations, policies or procedures of such networks or servers, including unlawful

or unauthorized altering any of the information submitted through the Software Services; (viii) attempt to gain unauthorized access to the Software Services, other Urban SDK customers' computer systems or networks using the Software Services through any means; or (ix) interfere with another party's use of the Software Services, including any parties Customer has done business with or choose not to do business with through the Software Services. Urban SDK has no obligation to monitor Customer's use of the Software Services. However, Urban SDK may at any time monitor, review, retain and disclose any information as necessary to satisfy or cooperate with any applicable law, regulation, legal process or governmental request. Customer shall use commercially reasonable efforts, including reasonable security measures relating to administrator account access details, to ensure that no unauthorized person may gain access to the Services.

- 7.3. **Compliance with Law.** Customer agrees not to use (and will use its best efforts not to allow its End Users to use) the Software Services for illegal purposes or for the transmission of material that is unlawful, harassing, libelous (untrue and damaging to others), invasive of another's privacy, abusive, threatening, or obscene, or that infringes the rights of others. Customer is solely responsible for any and all improper use of the Software Services that occurs as a direct or indirect result of any act or omission of Customer. Customer will notify Urban SDK immediately of any unauthorized use of the Software Services or any other breach of security that is known or suspected by Customer.
- 7.4. **Professional Services.** With respect to any Professional Services, Customer shall have the following obligations set forth in this Section 7.4.
- a. **Customer Contract Manager.** Customer shall cooperate with Urban SDK in all matters relating to the Professional Services and appoint a Customer employee to serve as the primary contact with respect to this Agreement (the "Customer Contract Manager").
 - b. **Access and Assistance; Customer Materials.** Customer shall provide such access to Customer's premises, facilities, and computer systems and networks as may reasonably be requested by Urban SDK for the purposes of performing the Professional Services. Customer shall respond promptly to any Urban SDK request to provide direction, information, approvals, authorizations or decisions that are reasonably necessary for Urban SDK to perform the Professional Services. Customer shall provide such Customer Materials as set forth in the applicable Statement of Work or as Urban SDK may reasonably request in order to carry out the Professional Services, in a timely manner, and ensure that it is complete and accurate in all material respects.
 - c. **Delay in Performance.** If Urban SDK's performance of its obligations under this Agreement is prevented or delayed by any act or omission of Customer or its agents, subcontractors, consultants or employees, Urban SDK shall not be deemed in breach of its obligations under this Agreement or otherwise liable for any costs, charges or losses sustained or incurred by Customer, in each case, to the extent arising directly or indirectly from

such prevention or delay, and Urban SDK's obligation to perform will be extended based on Urban SDK's reasonable ability to reallocate resources to performing and such delay may result in reasonable additional fees to the extent Urban SDK incurs additional costs due to the delay.

8. Non-disclosure and confidentiality.

- 8.1. **Disclosure.** Each party may disclose to the other party certain Confidential Information of such party or of such party's associated companies, distributors, licensors, suppliers, or customers. "Confidential Information" means any information that is of value to its owner and is treated as confidential, including trade secrets, technology, information pertaining to business operations and strategies, and information pertaining to customers, pricing, and marketing; "Disclosing Party" refers to the party disclosing Confidential Information hereunder, whether such disclosure is directly from Disclosing Party or through Disclosing Party's employees or agents; and "Recipient" refers to the party receiving any Confidential Information hereunder, whether such disclosure is received directly or through Recipient's employees or agents.
- 8.2. **Requirement of Confidentiality.** The Recipient agrees: (a) not to disclose or otherwise make available Confidential Information of the Disclosing Party to any third party without the prior written consent of the Disclosing Party, provided that the Recipient may disclose the Confidential Information of the Disclosing Party to its, and its affiliates, officers, employees, consultants and legal advisors who have a "need to know", who have been apprised of this restriction and who are themselves bound by nondisclosure obligations at least as restrictive as those set forth in this Section 8; (b) to use the Confidential Information of the Disclosing Party only for the purposes of performing its obligations or as otherwise authorized under the Agreement; and (c) to promptly notify the Disclosing Party in the event it becomes aware of any loss or disclosure of any of the Confidential Information of Disclosing Party. Customer acknowledges that the Software Services and documentation are the Confidential Information of Urban SDK. The obligations in this Section 8 shall survive termination and continue for so long as the applicable information constitutes Confidential Information. Confidential Information shall not include information that: (a) is already known to the Recipient without restriction on use or disclosure prior to receipt of such information from the Disclosing Party; (b) is or becomes generally known by the public other than by breach of this Agreement by, or other wrongful act of, the Recipient; (c) is developed by the Recipient independently of, and without reference to, any Confidential Information of the Disclosing Party; or (d) is received by the Recipient from a third party who is not under any obligation to the Disclosing Party to maintain the confidentiality of such information.
- 8.3. **Compelled Disclosure.** If the Recipient becomes legally compelled to disclose any Confidential Information, the Recipient shall provide: (a) prompt written notice of such requirement so that the Disclosing Party may seek, at its sole cost and expense, a protective order or other remedy; and (b) reasonable assistance, at the Disclosing Party's sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure. If, after providing

such notice and assistance as required herein, the Recipient remains required by law to disclose any Confidential Information, the Recipient shall disclose no more than that portion of the Confidential Information which, on the advice of the Recipient's legal counsel, the Recipient is legally required to disclose and, upon the Disclosing Party's request, shall use commercially reasonable efforts to obtain assurances from the applicable court or agency that such Confidential Information will be afforded confidential treatment.

8.4. Customer Data; Data Use. "Customer Data" means information, data and other content, in any form or medium, that is collected, downloaded or otherwise received, directly or indirectly from Customer or an End User by or through the Services, but does not include any data collected, downloaded or otherwise received, directly or indirectly from any other user of the Services. Customer hereby grants to Urban SDK a non-exclusive license to copy, reproduce, store, distribute, publish, export, adapt, edit and translate Customer Data to the extent reasonably required for the performance of Urban SDK's obligations and the exercise of Urban SDK's rights under this Agreement. Customer warrants to Urban SDK that Customer has the right to provide such Customer Data to Urban SDK in accordance with this Agreement. Additionally, Customer agrees that data derived by Urban SDK from Urban SDK's performance of the Services or input by or feedback from Customer may be used for the purposes of analysis, including statistical analysis, trend analysis, creation of data models, and creation of statistical rules. The results of such analysis ("De-identified Data") may be used by Urban SDK for any lawful purpose both during and following the Term. De-identified Data shall not contain any information that identifies or can be reasonably used to identify an individual person or Customer.

9. Limited Warranty; Disclaimers.

Urban SDK represents and warrants that it will provide the Services in a manner consistent with general industry standards reasonably applicable to the provision thereof and that the Software Services will perform substantially in accordance with the documentation under normal use and circumstances. Each party represents and warrants that it has the legal power and authority to enter into this Agreement. OTHER THAN AS EXPRESSLY SET FORTH IN THIS SECTION 9, EACH PARTY DISCLAIMS ALL WARRANTIES, CONDITIONS, OR REPRESENTATIONS TO THE OTHER PARTY REGARDING THIS AGREEMENT, WHETHER ORAL OR WRITTEN, EXPRESS, IMPLIED, OR STATUTORY. WITHOUT LIMITING THE FOREGOING, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, THE IMPLIED WARRANTY AGAINST INFRINGEMENT, THE IMPLIED WARRANTY OR CONDITION OF FITNESS FOR A PARTICULAR PURPOSE, AND THOSE ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE ARE EXPRESSLY EXCLUDED AND DISCLAIMED BY Urban SDK. NO WARRANTY IS MADE THAT USE OF THE SERVICES WILL BE ERROR FREE OR UNINTERRUPTED, THAT ANY ERRORS OR DEFECTS IN THE SERVICES WILL BE CORRECTED, OR THAT THE SERVICES FUNCTIONALITY WILL MEET CUSTOMER'S REQUIREMENTS. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, CUSTOMER ACKNOWLEDGES AND AGREES THAT URBAN SDK MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO ANY THIRD-PARTY HARDWARE, SOFTWARE, PRODUCT OR SERVICE INCLUDED WITH ANY OF THE SERVICES.

10. Limitation of Liability

- 10.1. **Exclusion of Damages.** EXCEPT AS OTHERWISE PROVIDED IN SECTION 10.3, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER OR TO ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES, INCLUDING LOSS OF USE, REVENUE, PROFIT, OR DATA, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 10.2. **Liability Cap.** EXCEPT AS OTHERWISE PROVIDED IN SECTION 10.3, IN NO EVENT WILL EITHER PARTY'S LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE AGGREGATE AMOUNTS PAID OR PAYABLE TO Urban SDK PURSUANT TO THIS AGREEMENT DURING THE TWELVE (12) MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM.
- 10.3. **Exceptions.** The exclusions and limitations in Section 10.1 and Section 10.2 shall not apply to: (a) damages or other liabilities arising out of or relating to a party's failure to comply with its obligations under Section 8 (Non-Disclosure and Confidentiality); or (b) a party's obligations under Section 11 (Indemnification).

11. Indemnification

- 11.1. **Urban SDK Indemnification.** Urban SDK shall defend Customer and its officers, directors, employees, agents, successors and permitted assigns against any third party claim, suit, action or proceeding (each, an "Action") based on a claim that Customer's receipt or use of the Services in accordance with this Agreement infringes any intellectual property right or misappropriates any trade secret of a third party, and shall pay all settlements entered into and damages awarded against Customer to the extent based on such an Action; provided, however, that Urban SDK shall have no obligations under this Section 11.1 with respect to claims to the extent arising out of: (a) any instruction, information, designs, specifications or other materials provided by Customer to Urban SDK; (b) use of the Services in combination with any materials or equipment not supplied to Customer or specified by Urban SDK in writing; or (c) any modifications or changes made to the Services by or on behalf of any person or entity other than Urban SDK. If the Services, or any part thereof, become, or in the opinion of Urban SDK may become, the subject of a claim of infringement or misappropriation, Urban SDK may, at its option: (i) procure for Customer the right to use such Services free of any liability; (ii) replace or modify the Services to make them non-infringing; or (iii) terminate this Agreement and refund to Customer any portion of the fees prepaid by Customer for the infringing Services.
- 11.2. **Customer Indemnification.** Customer shall defend Urban SDK and its officers, directors, employees, agents, affiliates, successors and permitted assigns against all Actions based on a claim that any information or materials provided by Customer (including Customer Data), or Urban SDK's receipt or use thereof, infringes any intellectual property right or misappropriates any trade secret of a third party, and shall pay all settlements entered into and damages awarded against Urban SDK to the extent based on such an Action.

11.3. **Indemnification Procedures.** The party seeking indemnification hereunder shall promptly notify the indemnifying party in writing of any Action and cooperate with the indemnifying party at the indemnifying party's sole cost and expense. The indemnifying party shall immediately take control of the defense and investigation of such Action and shall employ counsel of its choice to handle and defend the same, at the indemnifying party's sole cost and expense. The indemnifying party shall not settle any Action in a manner that adversely affects the rights of the indemnified party without the indemnified party's prior written consent, which shall not be unreasonably withheld or delayed. The indemnified party's failure to perform any obligations under this Section 11.1 shall not relieve the indemnifying party of its obligations under this Section 11.1 except to the extent that the indemnifying party can demonstrate that it has been materially prejudiced as a result of such failure. The indemnified party may participate in and observe the proceedings at its own cost and expense.

12. TERM AND TERMINATION.

12.1. **Initial Term.** This Agreement shall commence on the Effective Date and shall continue in full force and effect for the initial term set forth on the applicable Ordering Document ("Initial Term"), unless earlier terminated as provided for below. Thereafter, except with respect to any Statements of Work (which shall expire in accordance with their terms), the Initial Term shall automatically renew for successive periods of one (1) year each (each a "Renewal Term" and together with the Initial Term, the "Term"), unless either party provides written notice to the other party at least 30 days prior to the end of the then-current Initial Term or Renewal Term of its intent to not renew the Agreement.

12.2. **Termination.** Without prejudice to any other remedies and in addition to any other termination rights herein, the parties shall have the right to terminate this Agreement as provided below:

- a. By either party if the other party commits a material breach of this Agreement and such breach remains uncured 30 days after written notice of such breach is delivered to such other party including the failure to pay any fees due to Urban SDK; or
- b. By either party if the other party makes an assignment for the benefit of creditors, or commences or has commenced against it any proceeding in bankruptcy, insolvency, or reorganization pursuant to bankruptcy laws, laws of debtor's moratorium or similar laws.

12.3. **Termination of Statement of Work.** Either party may terminate any outstanding Statement of Work without terminating the entire Agreement if the other party commits a material breach of such Statement of Work and such breach remains uncured 30 days after written notice thereof is delivered to the other party.

12.4. **Effect.** Upon termination of this Agreement for any reason, all rights and licenses granted by Urban SDK hereunder to Customer will immediately cease. Customer must retrieve all of its data from the Software Services within thirty (30) days of

the termination or expiration of this Agreement, at which time Urban SDK reserves the right to delete all data.

- 12.5. **Survival.** Termination of this Agreement or any Schedule will not affect the provisions regarding Urban SDK's or Customer's treatment of Confidential Information, provisions relating to the payments of amounts due, indemnification provisions, provisions limiting or disclaiming Urban SDK's liability, or any other terms which by their nature should survive, which provisions will survive such termination.

13. GENERAL

- 13.1. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule. Jurisdiction and venue for purposes of any litigation in connection with this Agreement will be in the relevant federal or state court located in Jacksonville, Florida.
- 13.2. **Conflicting Terms.** Notwithstanding the content of any Customer purchase order or any other document or record, whether in writing or electronic, relating to the subject matter of this Agreement, the terms of this Agreement shall govern and any conflicting, inconsistent, or additional terms contained in such documents shall be null and void.
- 13.3. **Notice.** All communications required or otherwise provided under this Agreement shall be in writing and shall be deemed given when delivered (i) by hand, (ii) by registered or certified mail, postage prepaid, return receipt requested; or (iii) by a nationally recognized overnight courier service; to the address set forth on the applicable Ordering Document, as may be amended by the parties by written notice to the other party in accordance with this Section 13.3.
- 13.4. **Assignment.** Neither party may assign, transfer or delegate any or all of its rights or obligations under this Agreement, without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided that upon prior written notice to the other party, either party may assign the Agreement to an affiliate of such party or to a successor of all or substantially all of the assets of such party through merger, reorganization, consolidation or acquisition. No assignment shall relieve the assigning party of any of its obligations hereunder. Any attempted assignment, transfer or other conveyance in violation of the foregoing shall be null and void. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 13.5. **Interpretation.** For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Should any provision of this Agreement require judicial interpretation, the parties agree that the court interpreting or construing the same shall not apply a presumption

that the terms of this Agreement shall be more strictly construed against one party than against another.

- 13.6. **Severability.** In case any one or more of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 13.7. **Attorneys' Fees.** In the event that any action, suit, or other legal or administrative proceeding is instituted or commenced by either party hereto against the other party arising out of or related to this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and court costs from the non-prevailing party.
- 13.8. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all written or oral prior agreements or understandings with respect thereto.
- 13.9. **Amendment; Waiver.** This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
- 13.10. **Force Majeure.** Neither party shall be liable for delay or failure in performing any of its obligations hereunder due to causes beyond its reasonable control, including an act of nature, war, natural disaster, governmental regulations, terrorism, communication or utility failures or casualties or the failures or acts of third parties.
- 13.11. **Equitable Relief.** Each party acknowledges that a breach by a party of Section 3.2 (Restrictions) or Section 8 (Non-Disclosure and Confidentiality) may cause the non-breaching party irreparable damages, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, the non-breaching party will be entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be available from any court, in addition to any other remedy to which the non-breaching party may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity, subject to any express exclusions or limitations in this Agreement to the contrary.
- 13.12. **No Third-Party Beneficiaries.** This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other

person or entity any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

- 13.13. **Relationship of Parties.** Nothing in this Agreement shall constitute or be deemed to constitute a partnership between the parties hereto or constitute or be deemed to constitute one party as agent of the other, for any purpose whatsoever, and neither party shall have the authority or power to bind the other, or to contract in the name of or create a liability against the other, in any way or for any purpose.
- 13.14. **Publicity.** While this Agreement is in effect, Customer grants Urban SDK the right to use Customer's logo and name on Urban SDK's website and promotional materials. Customer shall have the right to require Urban SDK to terminate any such uses at any time by written notice to Urban SDK.
- 13.15. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement

Support Services Schedule

Support Service Responsibilities

Urban SDK shall provide support services (collectively, "Support Services") for the Software Services in accordance with the provisions of this Schedule. The Support Services are included in the Software Services, and Urban SDK shall not assess any additional fees, costs or charges for such Support Services.

Urban SDK shall use commercially reasonable efforts to:

- correct all failures of any Software Services to be available or otherwise perform in accordance with this Agreement ("Service Errors") in accordance with the Support Service Level Requirements, including by providing defect repair, programming corrections and remedial programming;
- provide unlimited telephone support during the hours of 8 a.m. to 6 p.m. Eastern Time on business days;
- provide unlimited online ticket support outside business hours and on weekends;
- Provide online access to technical support bulletins and other user support information and forums, to the full extent Urban SDK makes such resources available to its other customers; and
- Respond to and resolve Support Requests.

Service Monitoring and Management

Urban SDK shall use commercially reasonable efforts to continuously monitor and manage the Software Services to enable Availability that meets or exceeds the Availability Requirement.

Service Maintenance

Urban SDK shall use commercially reasonable efforts to maintain the Software Services in order to enable Availability that meets or exceeds the Availability Requirement. Such maintenance services shall include using commercially reasonable efforts to provide to Customer:

- all updates, bug fixes, enhancements, new releases, new versions and other improvements to the Software Services, that Urban SDK provides at no additional charge to its other similarly situated customers; and
- all such services and repairs as are required to maintain the Software Services or are ancillary, necessary or otherwise related to Customer's or its End Users' access to or use of the Software Services, so that the Software Services operate properly in accordance with this Agreement.

Support Requests

Customer shall submit its requests for Service Error corrections and they will be classified in accordance with the descriptions set forth in the chart below (each a "Support Request"). Customer shall notify Urban SDK of Support Requests by email, telephone or such other means as the parties may hereafter agree to in writing.

Support Request Classification

Description:

Any Service Error Comprising or Causing any of the Following Events or Effects

Critical Service Error

- Issue affecting entire system or single critical production function;
- System down or operating in materially degraded state; or
- Widespread access interruptions.

High Service Error

- Primary component failure that materially impairs its performance; or
- Data entry or access is materially impaired on a limited basis.

Medium Service Error

- Software Services are operating with minor issues that can be addressed with a work around.

Low Service Error

- Request for assistance, information, services that are routine in nature, or updates that are desired but do not impair system operation or functionality.

Escalation

With respect to any Critical Service Error Support Request, until such Support Request is resolved, Urban SDK shall escalate that Support Request within sixty (60) minutes of the receipt of such Support Request by the appropriate Urban SDK support personnel.

Corrective Action Plan

If two (2) or more Critical Service Errors occur in any thirty (30) day period during (a) the Term or (b) any additional periods during which Urban SDK does or is required to perform any Software Services, Urban SDK shall promptly investigate the root causes of these Service Errors and provide to Customer within five (5) business days of its receipt of notice of the second such Support Request an analysis of such root causes and a proposed written corrective action plan for Customer's review, comment and approval, which, subject to and upon Customer's written approval, shall be a part of, and by this reference is incorporated in, this Agreement as the parties' corrective action plan (the "**Corrective Action Plan**"). The Corrective Action Plan shall include, at a minimum: (x) Urban SDK's commitment to Customer to devote the appropriate time, skilled personnel, systems support and equipment and other resources necessary to resolve and prevent any further occurrences of the Service Errors giving rise to such Support Requests; (y) a strategy for developing any programming, software updates, fixes, patches, etc. necessary to remedy, and prevent any further occurrences of, such Service Errors; and (z) time frames for implementing the Corrective Action Plan. There will be no additional charge for Urban SDK's preparation or implementation of the Corrective Action Plan in the time frames and manner set forth therein.

Termination Rights

If (i) four (4) or more Critical Service Errors occur during a single thirty (30) day period, (ii) eight (8) or more High Service Errors or Critical Service Hours (combined in any combination) occur during a single thirty (30) day period, (iii) eight (8) or more Critical Service Errors occur during a six (6) month period, or sixteen (16) or more High Service Errors or Critical Service Hours (combined in any combination) occur during a six (6) month period, in addition to all other remedies available to Customer, Customer may terminate this Agreement on written notice to Urban SDK with no liability, obligation or penalty to Customer by reason of such termination.



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 7E

FIRE DEPARTMENT

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Trevin Robinson, Fire Chief
Submitted: May 27, 2026
Subject: Motion – To Approve the Purchase of In-Building Speakers for Station 1 & 3

INTRODUCTION AND HISTORY

The Fire Department relies on station monitoring systems to dispatch personnel to emergency incidents and maintain situational awareness throughout the day. Before the modernization of Stations 1 and 3, each station was equipped with a monitoring system connected to the Oakland County radio system and the BRYX station alerting system. This system supported day-to-day operational monitoring and dispatch notification.

Over time, the system was expanded by three different vendors. As a result, it became increasingly unreliable due to compatibility and infrastructure issues. Although the Fire Department still has the Oakland County base radio and BRYX alerting equipment, the station modernization project removed the previous wiring infrastructure and ceiling-mounted speakers in the living quarters to accommodate new electrical, fire suppression, and HVAC systems.

As construction nears completion, the Fire Department must install a new station monitoring and dispatch system that interfaces with the existing Oakland County base radio and BRYX alerting system. To identify the required hardware, infrastructure, and installation scope, the department consulted two independent in-building communications firms. Based on that input, the department developed a comprehensive set of specifications and issued an Invitation to Bid (ITB).

The ITB was posted on BidNet Direct on May 5, 2026, for the purchase and installation of thirty-two (32) ceiling-mounted speakers with recessed volume controls, fourteen (14) wall-mounted volume control knobs, amplifier equipment, required wiring infrastructure, and full system installation. Vendors were given an opportunity to inspect both stations before submitting bids. The ITB closed on May 20, 2026, at 10:00 a.m. at the Auburn Hills City Clerk's Office.

The Fire Department conducted a comprehensive review of all nine (9) bid submissions and determined that four (4) did not meet the bid specifications. These bids were removed from consideration because they omitted critical components such as amplifier equipment, installation costs, or the required number of ceiling-mounted speakers.

The chart below summarizes the five (5) bids that met or exceeded the bid specifications.

Company	Location	Speakers	Volume Knobs	Amplifier(s)	Wiring & Hardware	Installation	Total
Enertron LLC	Clinton Twp.	\$1,499.52	\$490.00	\$1,400.00	\$1,386.40	\$5,000.00	\$9,775.92
Jag Entertainment	Novi	\$7,936.00	\$797.87	\$3,606.00	\$3,624.00	\$7,480.00	\$23,443.87
Division 27	Sandusky	\$6,060.80	\$661.78	\$3,831.96	\$2,489.61	\$10,841.90	\$23,886.05
Decima LLC	Detroit	\$2,249.60	\$675.36	\$3,475.74	\$2,271.91	\$17,659.50	\$26,332.11
Radio North LLC	Traverse City	\$2,052.16	\$643.86	\$1,765.84	\$2,690.50	\$23,720.80	\$30,873.16

The bid received from Enertron LLC was the most cost effective and meets all the required bid specifications and we recommend it because of the following features and value-added benefits:

- 2' x 2' drop tile speakers with Recessed volume control that fit into the existing ceiling tile grid
- Bogan C100 series rack-mounted audio amplifier
- BoganAT10A wall mounted volume knobs with 10 volume settings
- Lifetime warranty on wiring
- Lifetime warranty on amplifiers
- 2-year warranty on speakers and wall mounted volume controls
- Enertron's long standing history of providing Infrastructure Technology support to the City of Auburn Hills

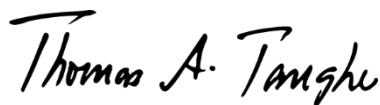
STAFF RECOMMENDATION

Staff recommend the purchase and installation of thirty-two (32) ceiling-mounted speakers with recessed volume controls, fourteen (14) wall-mounted volume control knobs, amplifier equipment, required wiring infrastructure, and full system installation from Enertron LLC of Clinton Township in the amount not to exceed \$9,775.92 from GL: 101-339-978.000. Enertron is our current contracted I.T. support provider for the City.

MOTION

Move to approve the purchase and installation of thirty-two (32) ceiling-mounted speakers with recessed volume controls, fourteen (14) wall-mounted volume control knobs, amplifier equipment, required wiring infrastructure, and full system installation from Enertron LLC of Clinton Township in the amount not-to-exceed \$9,775.92 from GL: 101-339-978.000

I CONCUR:



THOMAS A. TANGHE, CITY MANAGER



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 7F

DEPARTMENT OF PUBLIC WORKS

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Stephen Baldante, Public Works Director
Submitted: May 21, 2026
Subject: Motion – To approve a budget amendment for the Riverwalk Pathway Project

INTRODUCTION AND HISTORY

Bids were received on April 2, 2026 for the Riverwalk Pathway Project with Artisan Contracting of Michigan being the low bidder at a total amount of \$1,772,289.08. The capital improvement plan includes \$850,000 budgeted for Phase 3 of the Riverwalk Pathway Project in 2027. The project is currently underway with phases 1 and 2 scheduled for completion in 2026 and phase 3 slated for completion in 2027.

While phase 1 and 2 totals came in under budget, phase 3 project costs came in at \$1,075,400.08, which was higher than the \$850,000 estimate. After factoring in all three phases of the project, the bid amount reflects a shortfall of \$72,289.08 to complete the project. During the pre-construction meeting, the contractor indicated that the project could be completed in totality in 2026. Staff evaluated the benefits of completing the project early and recommend a budget amendment to increase appropriations by \$1,075,400.08 in order to substantially complete the project in 2026. The benefits of completing the project ahead of schedule include less disruption to the community and faster access to the Riverwalk Pathway due to the shortened project timeline.

STAFF RECOMMENDATION

Staff recommend increasing appropriations in account # 101-770-973.005-RIVERWALKPRJ by \$1,075,400.08 in order to expedite completion of the Riverwalk Pathway Project with estimated completion in late 2026.

MOTION

Move to execute a budget amendment increasing appropriations by \$1,075,400.08 for the 2026 budget in account # 101-770-973.005-RIVERWALKPRJ in order to expedite completion of the Riverwalk Pathway Project this year.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER



April 24, 2026

Artisan Contracting of Michigan, LLC
1217 Enterprise Drive
Highland, MI 48357

Attention: Grant Charlick

Subject: Notice of Award for
Auburn Hills Riverwalk Pathway

You are hereby notified that the City of Auburn Hills has accepted your Bid for the above-referenced Project during a Council Meeting held on April 20, 2026, and is awarding this contract to you in the amount \$1,546,009.08 for the bid which includes asphalt, concrete, and gravel pathway construction, installation of a prefabricated bridge spanning across the Clinton River, and the installation of a culvert as delineated in your Bid submitted to the City of Auburn Hills on April 2, 2026.

Six (6) copies of the contract books are included with this Notice of Award. These books are to be completed and signed by your company representatives and surety. You must comply with the following conditions within 14 business days of the date of this Notice of Award:

1. Deliver 6 fully executed Contract Books to the ENGINEER.
2. Deliver the Bonds as specified in the General Conditions (Article 3).
3. Deliver Insurance Certificates as specified in the Insurance Specifications.
4. **Do not fill in the effective date on the Agreement or Contract dates on the Bonds. These will be dated by the City of Auburn Hills when the contract books are executed by this office.**
5. You must provide a construction schedule indicating the proposed order of work and dates for completing the major items of work. Once the schedule is accepted by the City of Auburn Hills it will become part of the contract.

DEPARTMENT OF PUBLIC WORKS
1500 Brown Road
Auburn Hills, Michigan 48326

WWW.AUBURNHILLS.ORG
Phone: 248-391-3777
Fax: 248-391-4895

Failure to comply with these conditions within the time specified will entitle the City of Auburn Hills to consider your bid abandoned, to annul this Notice of Award, and to declare your Bid Security forfeited.

The City of Auburn Hills will return to you fully signed counterparts of the Agreement with the Contract Documents attached.

Sincerely,



Steve Baldante
Director of Public Works

cc: Tim Wisser, Manager of Municipal Properties
Jason Hefner, Manager of Fleet & Roads
Laura Pierce, City Clerk
Tim Juidici, OHM
Hannah Driesenga, OHM
Abby Boger, OHM

DEPARTMENT OF PUBLIC WORKS
1500 Brown Road
Auburn Hills, Michigan 48326

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Phone: 248-391-3777
Fax: 248-391-4895



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: APRIL 20, 2026

AGENDA ITEM NO 91

DEPARTMENT OF PUBLIC WORKS

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Stephen Baldante, DPW Director; Jason Hefner, Manager of Fleet & Roads
Submitted: April 7, 2026
Subject: Motion – To Award the Auburn Hills Riverwalk Pathway Construction to Artisan Contracting of Michigan, LLC, Construction Engineering Services to OHM Advisors and Material Testing to G2 Consulting

INTRODUCTION AND HISTORY

Included within the Capital plan for the Department of Public Works in 2026 and 2027 is \$1,700,000 for the construction of the Riverwalk Pathway phases 1-3. Phases 1 and 2 are planned for construction in 2026, while phase 3 is planned to be completed in 2027. Phase 1 starts at N. Squirrel, south of the skate park and continues north to the East-West path that extends from the Riverwoods parking lot to Forester Boulevard. Phase 2 extends North from the East-West path on the East side of the Clinton River to phase 3, which completes the loop and a connection to the Residents at River Trail development currently being constructed. A pathway easement and licensing agreement have been secured from parcels 14-25-426-002 and 14-25-327-005 and the purchase of parcel 14-25-401-003 has been finalized for this project to proceed. Full construction of the project includes 3,200 square yards of HMA pathway with concrete landings, 80 linear feet of a prefabricated bridge spanning across the Clinton River, 205 linear feet of boardwalk, a 45"x29" elliptical culvert, 300 square yards of gravel pathway, and associated restoration and soil erosion and control measures.

Bids were received on April 2nd, 2026, with Artisan Contracting of Michigan, LLC of Highland, MI being the low bidder. Their company has over 12 years of experience in civil construction and many of their key management has over 20+ years of industry experience. In addition, they have completed other similar projects for municipalities in the area. Based on our previous experience, reference checks, and their qualifications, we would recommend that City Council award this contract to Artisan Contracting of Michigan, LLC in the amount of \$1,606,009.08 per the unit prices listed on the bid. The amount entered in the bid for Crew Days (\$41,280) is not included in the recommended award amount as these are not part of payments made to the Contractor, but these amounts are included in the total for determining the lowest bid.

OHM Advisors serves as the City Engineer and provides engineering, observation, and contract administration for all of the City's infrastructure capital projects. Their Scope of Services is attached as Exhibit 1 and includes G2 Consulting Group's estimate for material testing services. The total breakdown is included in the following chart:

	Construction Contract	CE/CA Services	Crew Days (Observation)	Testing Services	Totals
Phase 1	\$350,264.00	\$21,000	\$11,180	\$7,400	\$389,844.00
Phase 2	\$279,845.00	\$14,000	\$8,600	\$4,600	\$307,045.00
Phase 3	\$975,900.08	\$58,000	\$21,500	\$20,000	\$1,075,400.08
Totals	\$1,606,009.08	\$93,000	\$41,280	\$32,000	\$1,772,289.08

Later this year, staff will bring an appropriate budget amendment to the 2026 budget if needed. If not, the 2027 budget will be increased through the budget cycle to accommodate the extra \$72,289.08 potentially needed for the project.

STAFF RECOMMENDATION

Staff recommends award of the Auburn Hills Riverwalk Pathway construction contract to Artisan Contracting of Michigan, LLC, Construction Engineering/ Observation and Contract Administration Services to OHM Advisors, Material Testing Services to G2 Consulting Group for an estimated total cost of \$1,772,289.08 to be paid from GL# 101-770-973.005-RIVERWALKPRJ.

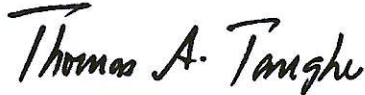
MOTION

Move to award the Auburn Hills Riverwalk Pathway construction contract to Artisan Contracting of Michigan, LLC, Construction Engineering/ Observation and Contract Administration Services to OHM Advisors, Material Testing Services to G2 Consulting Group for an estimated total cost of \$1,772,289.08 to be paid from GL# 101-770-973.005-RIVERWALKPRJ.

EXHIBITS

Exhibit 1 – OHM Scope of Services

I CONCUR:



THOMAS A. TANGHE, CITY MANAGER



April 7, 2026

Mr. Stephen Baldante
Director of Public Works
City of Auburn Hills
1500 Brown Road
Auburn Hills, Michigan 48326

RE: **Auburn Hills Riverwalk Pathway**
Scope of Construction Services

Dear Mr. Baldante:

Outlined below is a Scope of Work for construction services to be provided by OHM Advisors for the above referenced project.

PROJECT UNDERSTANDING

It is our understanding that the City of Auburn Hills plans to move forward with the construction phase of the Auburn Hills Riverwalk Pathway project for which bids were received on Thursday, April 2nd. The proposed project consists of 3,200 square yards of HMA pathway with concrete landings, 80 linear feet of a prefabricated bridge spanning across the Clinton River, 205 linear feet of boardwalk, a 45"x29" elliptical culvert, 300 square yards of gravel pathway, and associated restoration and soil erosion and control measures.

SCOPE OF SERVICE

Construction Engineering / Observation

Under this task the project team will observe the construction efforts on the project and assist with any necessary field changes to successfully complete the work. Specific work efforts include:

- ▼ Provide daily observation of the project when construction work is occurring to verify that materials, installation, and construction methods used are in conformance with the project plans and specifications as well as applicable standards. Full-time observation will be provided for all pathways, structure, and utility construction.
- ▼ Produce daily field reports to document construction activities and record quantities of contract pay items.
- ▼ Prepare and provide the Contractor with a list of required submittals and review shop drawings, construction schedules, materials certifications, and other submittals.
- ▼ Address Contractor's construction concerns and resolve conflicts with the executed contract specifications.
- ▼ Arrange and attend regularly scheduled progress meetings during the construction phase. It is anticipated that meetings will be held biweekly during the active construction period.
- ▼ Coordinate with the materials testing consultant on material related items.
- ▼ Coordinate with the property owners and other stakeholders in the construction area regarding access, traffic staging, schedule, and other pertinent items for the duration of the project.
- ▼ Prepare and deliver record (As-Built) plans that include the constructed location of all installed underground utilities. Record plans will be delivered electronically in PDF format.



Contract Administration

Under this task, the project team will complete services necessary to administer the contract. Specific work efforts include:

- ▼ Coordination with the Contractor and City to execute the contract documents.
- ▼ Arrange and attend one (1) pre-construction meeting prior to the start of the project.
- ▼ Provide two (2) signed copies of the contract documents to the City, one (1) to the Clerk’s office and one (1) to the DPW.
- ▼ Review Contractor’s progress on the project to ensure that the work is in compliance with the proposed schedule.
- ▼ Prepare monthly construction pay estimates and process contract change orders (if required).
- ▼ Request and review information from the Contractor to verify compliance with wage rates, Buy America, and other funding requirements.
- ▼ Review construction claims and coordinate claim resolution with Contractor and City.
- ▼ Request and collect Contractor’s declaration, contractor’s affidavit, waivers from major suppliers and subcontractors, release of surety, and release from other public agencies for which permits have been obtained under this contract.

Crew Days (Construction Observation)

This project contract includes a line item for Crew Days in Contractor’s bid. This item is for construction observation required for the Contractor’s operations. OHM will provide daily observation of work under this Crew Day item. Full-time inspection will be provided for all construction operations as indicated in the contract specifications for Crew Days. The Contractor has included the Crew Day amount in their bid based on their anticipated schedule for the project.

SCHEDULE

Based on the Council meeting schedule, we anticipate that the award for the project would occur at the April 20th Council meeting. Construction on the project is anticipated to begin in June and be substantially completed by September of 2027.

COMPENSATION

The construction engineering and contract administration outlined above will be performed on an hourly basis for the not-to-exceed amount of ninety-three thousand dollars (\$93,000.00). The construction observation as Crew Days will be performed on a per day basis for the amount of forty-one thousand two hundred eighty dollars (\$41,280.00), which is based on the amount bid by the Contractor for this item. The City will be invoiced for services on a monthly basis. The estimated budget breakdown is as follows:

	Construction Engineering	Contract Administration	Crew Days (Observation)	Total
Phase 1	\$11,000	\$10,000	\$11,180	\$32,180
Phase 2	\$7,500	\$6,500	\$8,600	\$22,600
Phase 3	<u>\$32,000</u>	<u>\$26,000</u>	<u>\$21,500</u>	<u>\$79,500</u>
Total	\$50,500	\$42,500	\$41,280	\$134,280

Materials Testing Services (G2) \$32,000



FURTHER CLARIFICATIONS AND ASSUMPTIONS

The above-listed scope of services was prepared with the following assumptions:

- Materials testing services will be provided by G2 Consulting Group under a separate contract and are not included in this scope of services. The estimated amount for this service is indicated above.
- The City will be responsible for all permit fees.

Should you find this agreement acceptable, please execute both copies and return one copy to us for our files. We look forward to providing professional services on this project. If you have any questions, please contact us.

Sincerely,
OHM ADVISORS

Hannah Driesenga
Hannah Driesenga, P.E.
Client Representative

cc: Tim Wisser, Manager of Municipal Properties
Jason Hefner, Manager of Fleet & Roads
Tim Juidici, OHM
Jim Pontek, OHM
File

**City of Auburn Hills
Auburn Hills Riverwalk Pathway
Construction Services**

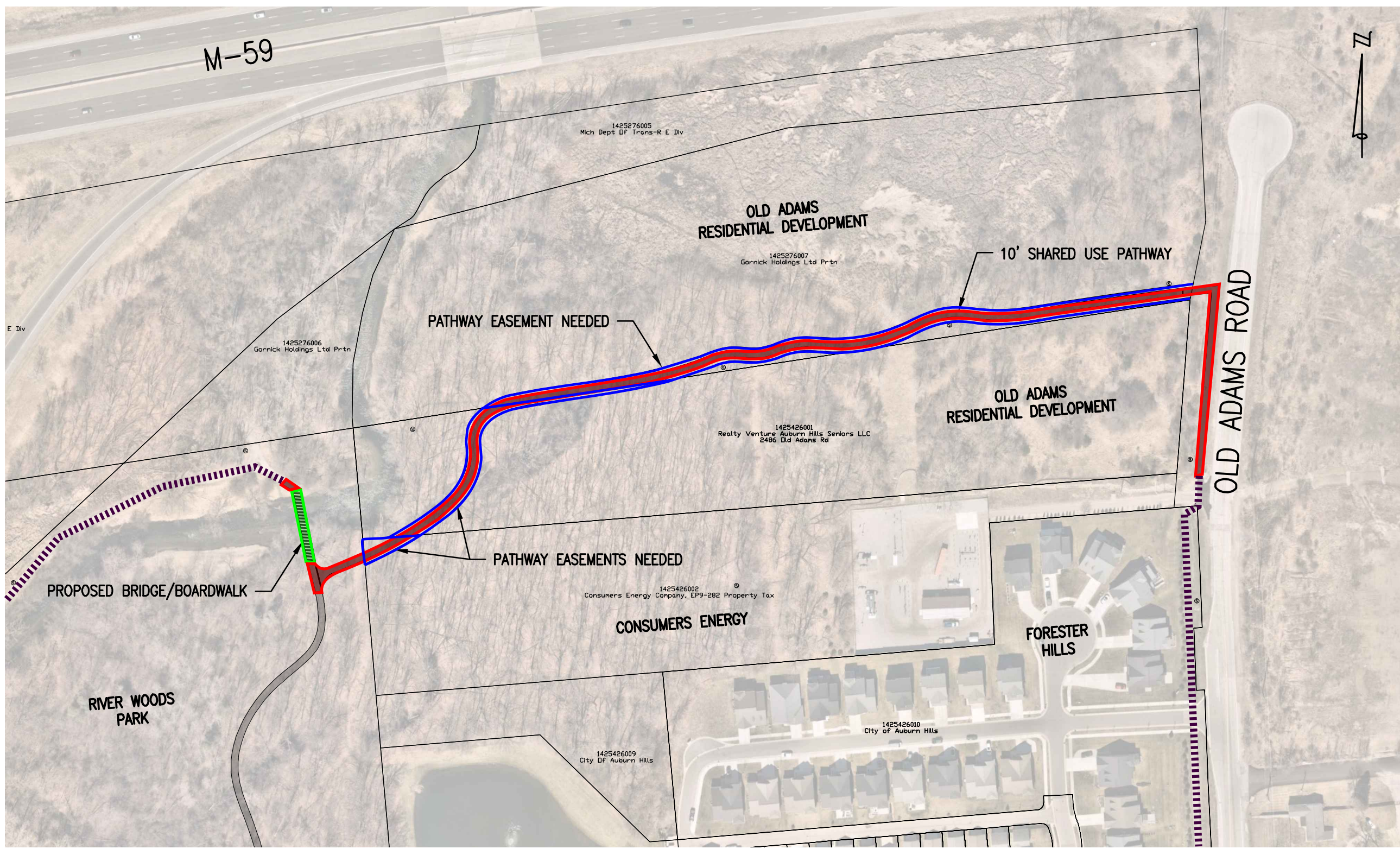
Accepted By: _____
Printed Name: _____
Title: _____
Date: _____

RIVERWALK PATHWAY PHASE A





AUBURN HILLS, MICHIGAN

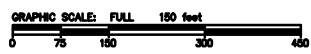


OHM
ARCHITECTS ENGINEERS PLANNERS
2385 PONTIAC RD, SUITE 201
AUBURN HILLS, MI 48326
(248) 751-3100
OHM-ADVISORS.COM



LEGEND

-  EXISTING PATHWAY
-  PROPOSED BRIDGE
-  REQUIRED HMA PATHWAY
-  REQUIRED EASEMENT



DRAWING PATH: P:\0101-0125\SITE Auburn Hills\City\Temp\Riverwalk Pathway\Drawings\Riverwalk Pathway_C00.dwg Oct 02, 2023 - 2:11pm

REVISIONS:	

DATE	PROJ NUMBER	ENG	PROJ MGR	CADD	COUNTY	CITY/TOWNSHIP	SCALE	VERT DATUM	REV
02/20/23	0125426009	IND	TJU	MLK	OAKLAND	AUBURN HILLS	1"=150'	NAD 83	1
CITY OF AUBURN HILLS									
RIVERWALK PATHWAY									
PHASE A									

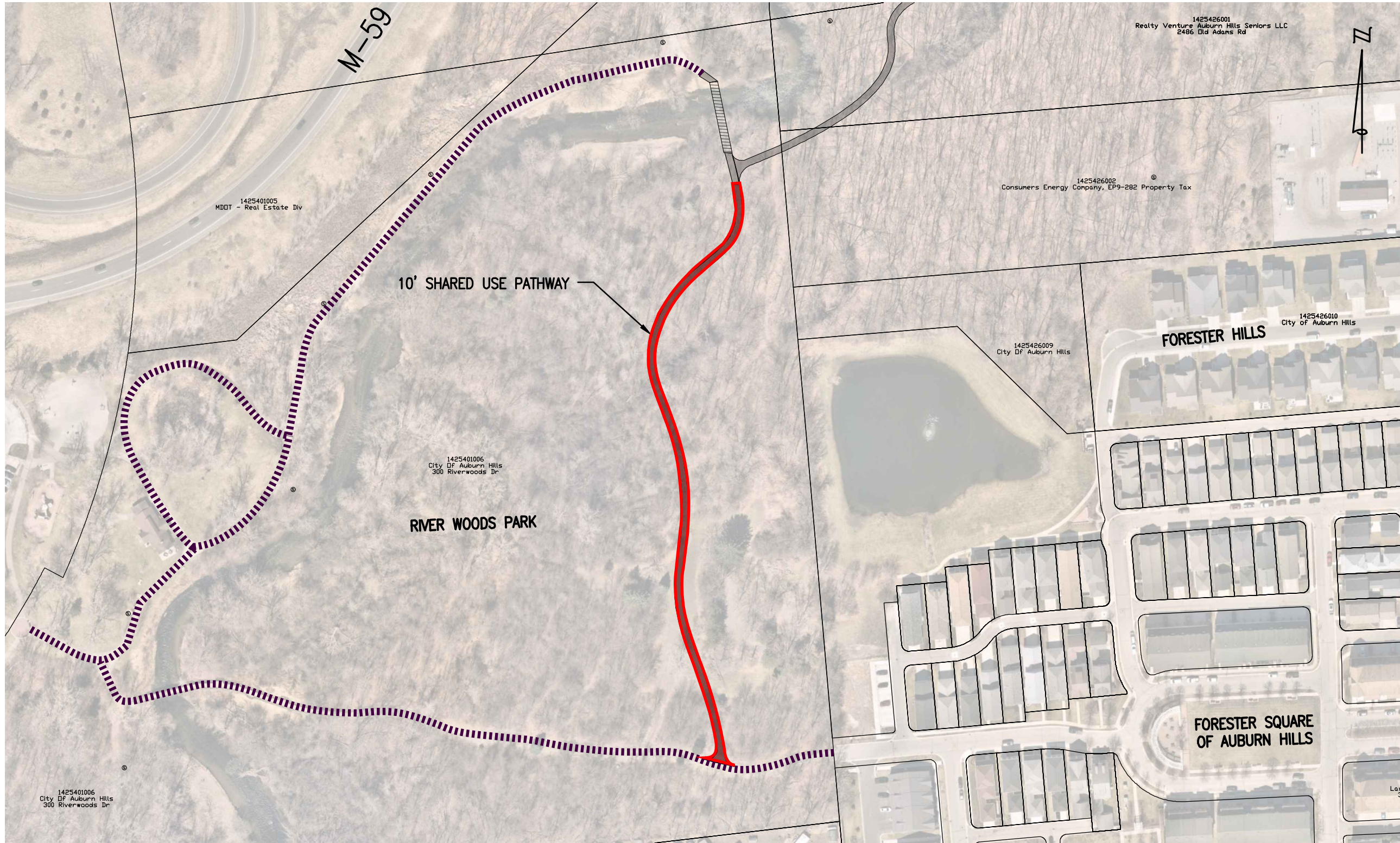
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RIVERWALK PATHWAY PHASE B

AUBURN HILLS, MICHIGAN



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ARCHITECTS ENGINEERS PLANNERS
2385 PONTIAC RD, SUITE 201
AUBURN HILLS, MI 48326
(248) 751-3100
OHM-ADVISORS.COM

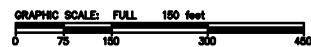


10' SHARED USE PATHWAY

LEGEND



EXISTING PATHWAY
PROPOSED HMA PATHWAY



DRAWING PATH: P:\0101_0125 SITE Auburn Hills\City\Temp\Riverwalk Pathway\Drawings\Riverwalk Pathway_C0N.dwg Oct 02, 2023 - 2:55pm

REVISIONS:	

DATE	PROJ NUMBER	ENG	PROJ LEAD	CADD	COUNTY	CITY/TOWNSHIP	SCALE	H	V	VERT DATUM	WVD 1988
02/2023	012523-003	IND	TJU	NLK	OAKLAND	AUBURN HILLS	1"=150'				

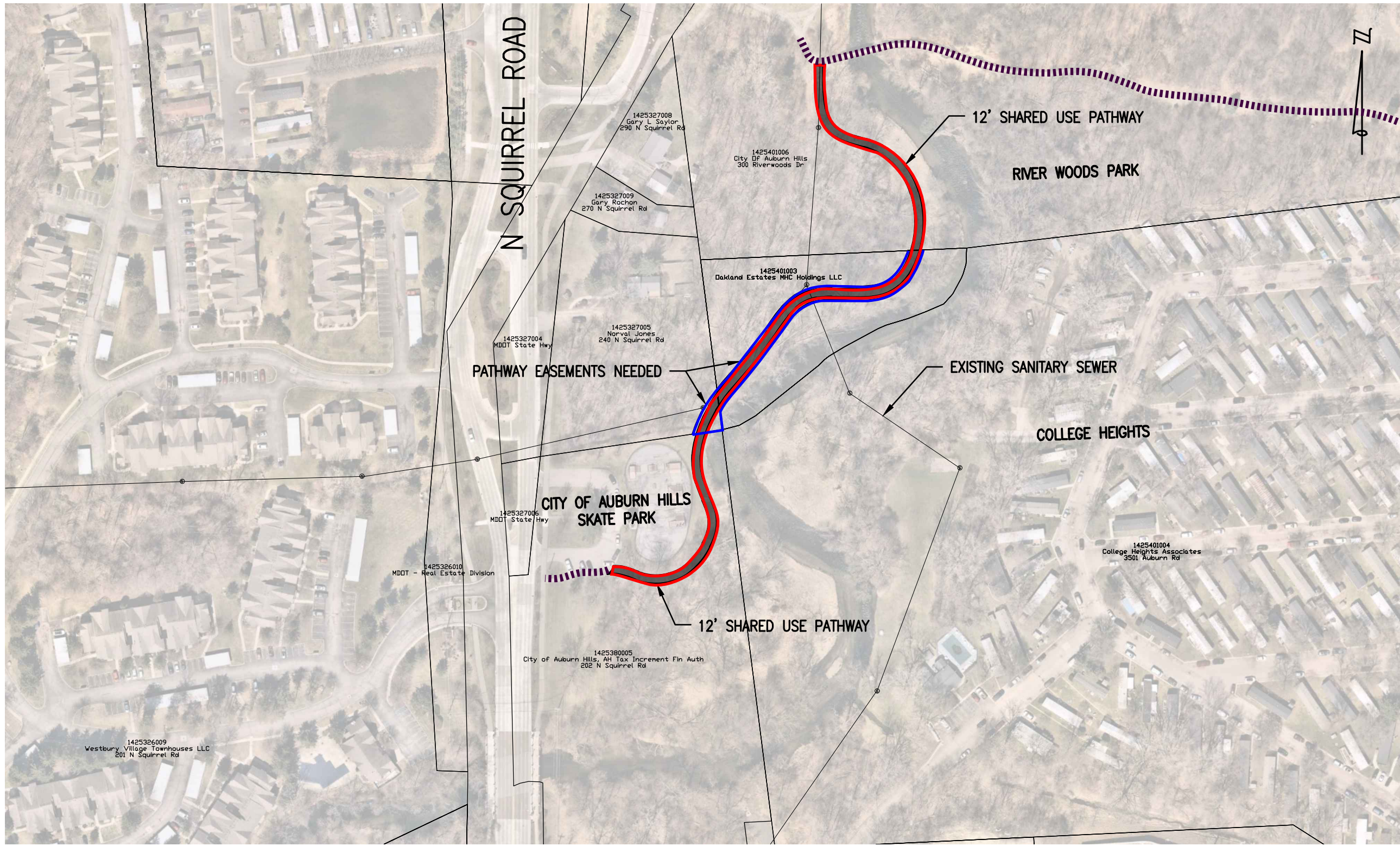
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RIVERWALK PATHWAY PHASE C




AUBURN HILLS, MICHIGAN

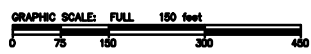


OHM
ARCHITECTS ENGINEERS PLANNERS
2385 PONTIAC RD, SUITE 201
AUBURN HILLS, MI 48326
(248) 751-3100
OHM-ADVISORS.COM



LEGEND

-  EXISTING PATHWAY
-  PROPOSED HMA PATHWAY
-  REQUIRED EASEMENT



DRAWING PATH: P:\0101_0125SITE_AuburnHills\Temp\Riverwalk Pathway\Drawings\Riverwalk Pathway_C03.dwg Oct 02, 2023 - 2:45pm

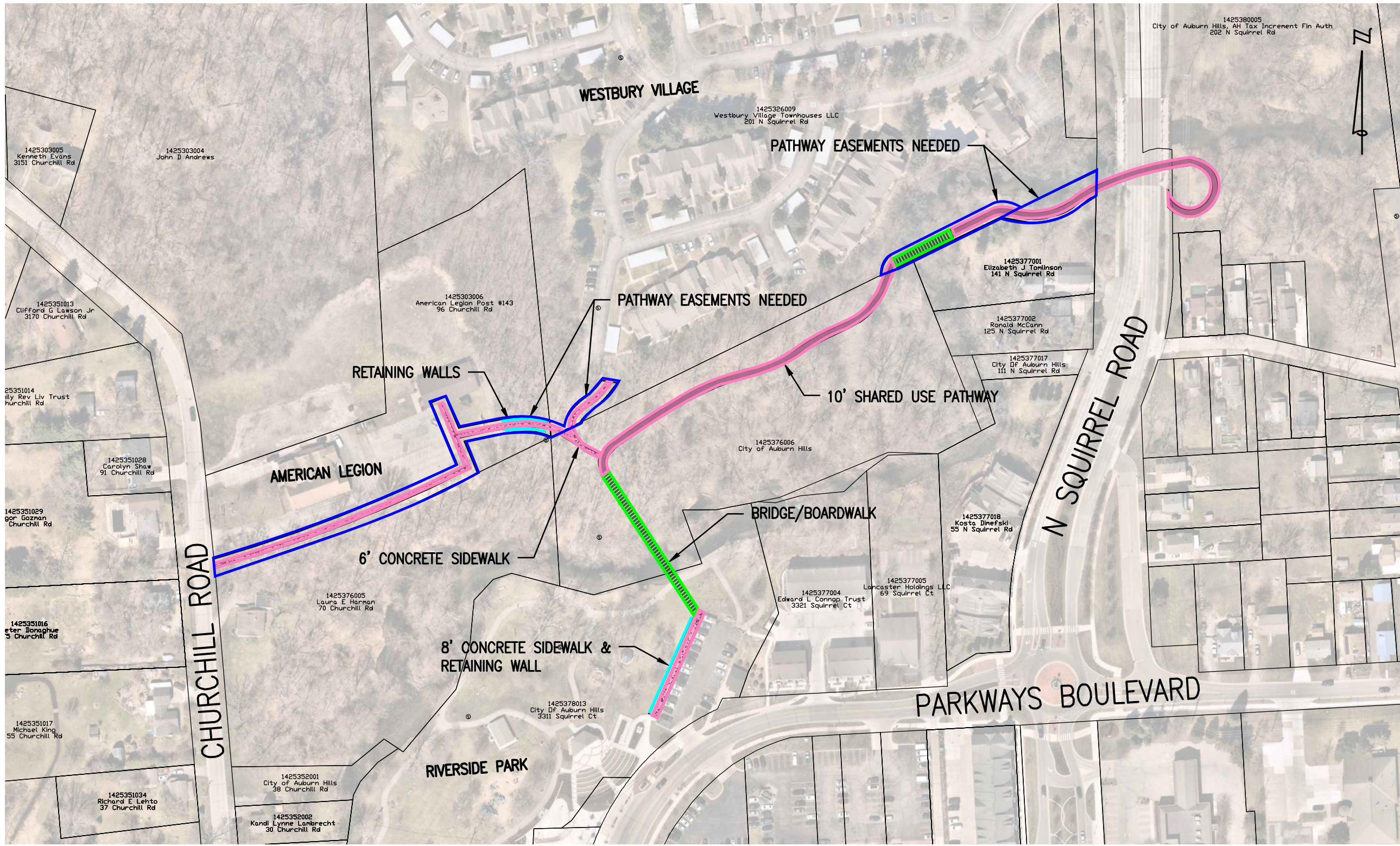
REVISIONS:	

DATE	PROJ NUMBER	ENG	PROJ MGR	CADD	COUNTY	SCALE	VERT DATUM	REV DATUM
02/23/23	012532-003	IND	TJU	MLK	OAKLAND	1"=150'	V	NAVD 83
CITY/TOWNSHIP								
AUBURN HILLS								
PROJECT TITLE								
CITY OF AUBURN HILLS RIVERWALK PATHWAY PHASE C								

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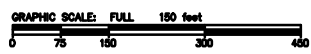
RIVERWALK PATHWAY PHASE D

AUBURN HILLS, MICHIGAN



LEGEND

- PROPOSED BRIDGE/BOARDWALK
- PROPOSED CONCRETE SIDEWALK
- PROPOSED RETAINING WALL
- REQUIRED EASEMENT



DRAWING PATH: P:\0101_0125\SITE Auburn Hills\CityTemp\Riverwalk Pathway\Drawings\Riverwalk Pathway_C00.dwg Oct 02, 2023 - 2:45pm

REVISIONS:	

DATE	PROJ NUMBER	ENG	PROJ MGR	CADD	COUNTY	SCALE	VERT DATUM	VERT DATUM
02/20/23	012533-003	IMD	TJU	MLK	OAKLAND	1" = 150'	NAD 83	NAD 83
CITY OF AUBURN HILLS								
RIVERWALK PATHWAY								
PHASE D								

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CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 7G

FINANCE/TREASURER

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Michelle Schulz, Finance Director
Submitted: May 27, 2026
Subject: Motion – Receive and File the 2025 Retirement System Annual Report

INTRODUCTION AND HISTORY

In accordance with Public Act 202 of 2017, pension and retiree health care reports for retirement systems are required to be electronically filed with the Michigan Department of Treasury no later than six months after the end of the local unit of government's fiscal year. The unit must have submitted their most recent audited financial statements to Treasury prior to the submission of the annual retirement system report. Specific instructions provided by Treasury for both Pension and Retiree Health Care were followed and required utilization of the audited financial statements, actuarial reports, and trust investment reports.

Form 5572 is required to be submitted in the original excel file as provided for on the Treasury. Receipt of the form was confirmed by the Treasury. Further, instructions state compliance require:

"The local government shall also electronically submit the report to the governing body (e.g. Board/Council) of the local government. Formal vote of approval or governing body resolution is not required for this report."

Thus, a PDF copy of the submission is provided herein. The report must also be posted to the local unit's website. This has been completed. Any questions, charges, or deficiencies, if any, in the report will be communicated to staff after Treasury completes review. Should the report attached herein be modified, it will be resubmitted for receipt by the City Council at that time.

STAFF RECOMMENDATION

Staff recommends City Council receive and file the submitted Retirement System Annual Report to comply with the notification requirement as required by Public Act 202 of 2017 as referenced above.

MOTION

Move to receive and file the 2025 Retirement System Annual Report.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER

The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) & Public Act 530 of 2016 Pension Report

Enter Local Government Name	City of Auburn Hills	Instructions: For a list of detailed instructions on how to complete and submit this form, visit michigan.gov/LocalRetirementReporting .
Enter Six-Digit Municode	632005	
Unit Type	City	
Fiscal Year End Month	December	
Fiscal Year (four-digit year only, e.g. 2019)	2025	Questions: For questions, please email LocalRetirementReporting@michigan.gov . Return this original Excel file. Do not submit a scanned image or PDF.
Contact Name (Chief Administrative Officer)	Michelle Schulz	
Title if not CAO	Finance Director	
CAO (or designee) Email Address	mschulz@auburnhills.org	
Contact Telephone Number	248-364-6819	
Pension System Name (not division) 1	City of Auburn Hills Pension Plan	If your pension system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.
Pension System Name (not division) 2		
Pension System Name (not division) 3		
Pension System Name (not division) 4		
Pension System Name (not division) 5		

Line	Descriptive Information	Source of Data	System 1	System 2	System 3	System 4	System 5
1	Is this unit a primary government (County, Township, City, Village)?	Calculated	YES	YES	YES	YES	YES
2	Provide the name of your retirement pension system	Calculated from above	City of Auburn Hills Pension Plan				
3 Financial Information							
4	Enter retirement pension system's assets (system fiduciary net position ending)	Most Recent Audit Report	61,711,511				
5	Enter retirement pension system's liabilities (total pension liability ending)	Most Recent Audit Report	66,651,262				
6	Funded ratio	Calculated	92.6%				
7	Actuarially Determined Contribution (ADC)	Most Recent Audit Report	965,670				
8	Governmental Fund Revenues	Most Recent Audit Report	53,421,639				
9	All systems combined ADC/Governmental fund revenues	Calculated	1.8%				
10 Membership							
11	Indicate number of active members	Actuarial Funding Valuation used in Most Recent Audit Report	4				
12	Indicate number of inactive members	Actuarial Funding Valuation used in Most Recent Audit Report	5				
13	Indicate number of retirees and beneficiaries	Actuarial Funding Valuation used in Most Recent Audit Report	130				
14 Investment Performance							
15	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	10.83%				
16	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	6.87%				
17	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	8.23%				
18 Actuarial Assumptions							
19	Actuarial assumed rate of investment return	Actuarial Funding Valuation used in Most Recent Audit Report	6.25%				
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	Level Dollar				
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	14				
22	Is each division within the system closed to new employees?	Actuarial Funding Valuation used in Most Recent Audit Report	Yes				
23 Uniform Assumptions							
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	59,620,461				
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	67,569,954				
26	Funded ratio using uniform assumptions	Calculated	88.2%				
27	Actuarially Determined Contribution (ADC) using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	965,970				
28	All systems combined ADC/Governmental fund revenues	Calculated	1.8%				
29 Pension Trigger Summary							
30	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary government triggers: Less than 60% funded AND greater than 10% ADC/Governmental fund revenues. Non-Primary government triggers: Less than 60% funded	NO	NO	NO	NO	NO

Requirements (For your information, the following are requirements of P.A. 202 of 2017)
 Local governments must post the current year report on their website or in a public place.
 The local government must electronically submit the form to its governing body.
 Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years.
 Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.

The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) Health Care (OPEB) Report

Enter Local Government Name	City of Auburn Hills	Instructions: For a list of detailed instructions on how to complete and submit this form, visit michigan.gov/LocalRetirementReporting .
Enter Six-Digit Municode	632005	
Unit Type	City	
Fiscal Year End Month	December	
Fiscal Year (four-digit year only, e.g. 2019)	2025	
Contact Name (Chief Administrative Officer)	Michelle Schulz	Questions: For questions, please email LocalRetirementReporting@michigan.gov . Return this original Excel file. Do not submit a scanned image or PDF.
Title if not CAO	Finance Director	
CAO (or designee) Email Address	mschulz@auburnhills.org	
Contact Telephone Number		
OPEB System Name (not division) 1	City of Auburn Hills Retiree Health Care Fund	If your OPEB system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.
OPEB System Name (not division) 2		
OPEB System Name (not division) 3		
OPEB System Name (not division) 4		
OPEB System Name (not division) 5		

Line	Descriptive Information	Source of Data	System 1	System 2	System 3	System 4	System 5
1	Is this unit a primary government (County, Township, City, Village)?	Calculated	YES	YES	YES	YES	YES
2	Provide the name of your retirement health care system	Calculated from above	City of Auburn Hills Retiree Health Care				
3 Financial Information							
4	Enter retirement health care system's assets (system fiduciary net position ending)	Most Recent Audit Report	34,369,357				
5	Enter retirement health care system's liabilities (total OPEB liability)	Most Recent Audit Report	32,980,643				
6	Funded ratio	Calculated	104.2%				
7	Actuarially determined contribution (ADC)	Most Recent Audit Report	279,766				
7a	Do the financial statements include an ADC calculated in compliance with Numbered Letter 2018-3?	Most Recent Audit Report	YES				
8	Governmental Fund Revenues	Most Recent Audit Report	53,421,639				
9	All systems combined ADC/Governmental fund revenues	Calculated	0.5%				
10 Membership							
11	Indicate number of active members	Actuarial Funding Valuation used in Most Recent Audit Report	54				
12	Indicate number of inactive members	Actuarial Funding Valuation used in Most Recent Audit Report	1				
13	Indicate number of retirees and beneficiaries	Actuarial Funding Valuation used in Most Recent Audit Report	107				
14	Provide the amount of premiums paid on behalf of the retirants	Most Recent Audit Report or Accounting Records	\$279,766				
15 Investment Performance							
16	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	11.72%				
17	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	5.90%				
18	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider					
19 Actuarial Assumptions							
20	Assumed Rate of Investment Return	Actuarial Funding Valuation used in Most Recent Audit Report	6.25%				
21	Enter discount rate	Actuarial Funding Valuation used in Most Recent Audit Report	6.25%				
22	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	Level Dollar				
23	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	24				
24	Is each division within the system closed to new employees?	Actuarial Funding Valuation used in Most Recent Audit Report	Yes				
25	Health care inflation assumption for the next year	Actuarial Funding Valuation used in Most Recent Audit Report	5.30%				
26	Health care inflation assumption - Long-Term Trend Rate	Actuarial Funding Valuation used in Most Recent Audit Report	3.90%				
27 Uniform Assumptions							
28	Enter retirement health care system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	33,114,018				
29	Enter retirement health care system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	33,990,273				
30	Funded ratio using uniform assumptions	Calculated	97.4%				
31	Actuarially Determined Contribution (ADC) using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	452,586				
32	All systems combined ADC/Governmental fund revenues	Calculated	0.8%				
33 Summary Report							
34	Did the local government pay the retiree insurance premiums for the year?	Accounting Records	YES				
35	Did the local government pay the normal cost for employees hired after June 30, 2018?	Accounting Records	N/A				
36	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary government triggers: Less than 40% funded AND greater than 12% ARC/Governmental fund revenues. Non-Primary government triggers: Less than 40% funded	NO	NO	NO	NO	NO

Requirements (For your information, the following are requirements of P.A. 202 of 2017)
Local governments must post the current year report on their website or in a public place
The local government must electronically submit the form to its governing body.
Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years
Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 7H

DEPARTMENT OF PUBLIC WORKS

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Jason Hefner, Manager of Fleet & Roads
Submitted: May 26, 2026
Subject: Motion – Approve a Cost Participation Agreement for Baldwin Road Concrete and Curb Repairs

INTRODUCTION AND HISTORY

Every year, the City adds \$50,000 to the previous year's remaining tri-party account for tri-party road projects to be used on and along roads owned and operated by the Road Commission of Oakland County. The three parties are Oakland County, the Board of County Road Commissioners of the County of Oakland, and the City of Auburn Hills. In the past, this program has been utilized for Brown Road reconstruction and a new pedestrian crossing of Baldwin Road near Great Lakes Crossing Outlets. In 2026, RCOC proposed using funds on Baldwin Road for concrete and curb repairs with a total cost of \$250,000. That figure would mean that the City would be responsible for covering one third of that cost (\$83,333). Currently, the account has \$292,798.

STAFF RECOMMENDATION

Staff recommend authorizing the Cost Participation Agreement with the Board of County Road Commissioners of the County of Oakland, Michigan for Baldwin Road Construction from Great Lakes Entrance(s) to Brown Road (Board Project #58651).

MOTION

Move to authorize the Cost Participation Agreement with the Board of County Road Commissioners of the County of Oakland, Michigan for Baldwin Road Construction from Great Lakes Entrance(s) to Brown Road (Board Project #58651).

EXHIBITS

Exhibit 1 – Cost Participation Agreement

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER

COST PARTICIPATION AGREEMENT

CONSTRUCTION

Baldwin Road

Great Lakes Entrance(s) to Brown Road

City of Auburn Hills

Board Project No. 58651

This Agreement, made and entered into this _____ day of _____, 2026, by and between the Board of County Road Commissioners of the County of Oakland, Michigan, hereinafter referred to as the BOARD, and the City of Auburn Hills, hereinafter referred to as the COMMUNITY, provides as follows:

WHEREAS, the BOARD and the COMMUNITY have programmed the concrete curb repair from Great Lakes Entrance(s) to Brown Road, as described in Exhibit "A", attached hereto, and made a part hereof, which improvements involve roads under the jurisdiction of the BOARD and within the COMMUNITY, which improvements are hereinafter referred to as the PROJECT; and

WHEREAS, the estimated total cost of the PROJECT is \$250,000; and

WHEREAS, said PROJECT involves certain designated and approved Tri-Party Program funding in the amount of \$250,000, which amount shall be paid through equal contributions by the BOARD, the COMMUNITY, and the Oakland County Board of Commissioners, hereinafter referred to as the COUNTY; and

WHEREAS, the BOARD and the COMMUNITY have reached a mutual understanding regarding the cost sharing of the PROJECT and wish to commit that understanding to writing in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and in conformity with applicable law, it is hereby agreed between the COMMUNITY and the BOARD that:

1. The COMMUNITY approves of the PROJECT, declares its public necessity, and authorizes the BOARD to perform or cause to be performed, and complete the PROJECT along with all administration in reference thereto.
2. The actual total cost of the PROJECT shall include total payments to the contractor, internal labor, equipment, and material costs. Any costs incurred by the BOARD prior to this agreement date shall be allowable
3. The estimated total PROJECT cost is \$250,000 and shall be invoiced in the following order:
 - Tri-Party Program funding in the amount of \$250,000
 - Any PROJECT costs above the Tri-Party Program funding of \$250,000 will be funded 100% by the BOARD.
4. Upon execution of this agreement, the BOARD shall submit an invoice to the COMMUNITY in the amount of \$83,333 (being 100% of the COMMUNITY'S Tri-Party contribution).
5. Upon execution of this agreement, the BOARD shall submit an invoice to the COUNTY in the amount of \$83,333 (being 100% of the COUNTY'S Tri-Party contribution).
 - a. The invoice(s) shall be sent to:

Manager of Fiscal Services
Executive Office Building
2100 Pontiac Lake Road, Building 41 West
Waterford, MI 48328
6. Upon receipt of said invoice(s), the COMMUNITY and the COUNTY shall pay to the BOARD the full amount thereof, within thirty (30) days of such receipt.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and date first written above.

BOARD OF ROAD COMMISSIONERS OF THE
COUNTY OF OAKLAND
A Public Body Corporate

By _____

Its _____

City of Auburn Hills

By _____

Its _____

EXHIBIT A

TRI-PARTY PROGRAM

Baldwin Road

Great Lakes Entrance(s) to Brown Road

City of Auburn Hills

Board Project No. 58651

Concrete and curb replacement.

ESTIMATED PROJECT COST

Contractor Payments: \$250,000

Total Estimated Project Cost: **\$250,000**

COST PARTICIPATION BREAKDOWN

	COMMUNITY	COUNTY	BOARD	TOTAL
Tri-Party Program	83,333	83,333	83,334	250,000
TOTAL SHARES	\$83,333	\$83,333	\$83,334	\$250,000



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 71

DEPARTMENT OF PUBLIC WORKS

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Jason Deman, Manager of Public Utilities
Submitted: May 7, 2026
Subject: Motion – To Award Construction Contract to Pamar Enterprises and Construction Services to OHM Advisors for the Parkways Water Main Replacement Project

INTRODUCTION AND HISTORY

With the site redevelopment project underway with 3315 Auburn site (Alos Sports Bar), The City was working with the developer to re-route water utilities on the site. The old water main that was installed in the 1960's was very close to the building and would run through a proposed new outdoor patio and outdoor section of the restaurant. We thought it would be wise and good timing to have this water main relocated, with the age of and material of the pipe, along with all the other site improvements commencing as well.

The plan at first was to have the developer handle both the public and private water main relocation on behalf of the City, but after looking further into it, we decided to expand the scope on the City's side and relocate the water main all through Parkways Ct, which was all the same vintage pipe. It made sense to not just move the water main at 3315 Auburn but replace it all around the court. Furthermore, instead of having to do all the work at the same time, we were able to separate the work required from City and Private, which enabled us each to move the project on our own timelines. Since the restaurant may want to open sooner than the public work was to be done, we did not want to interfere or delay the site from their timeline. Attachment 1 gives a depiction of the project scope and limits of what will be done in the area.

Since this was to be a smaller job that we wanted to fit in this summer/fall, we decided to get 3 quotes for the work from local underground contractors that are actively working in the City on other jobs. Superior Excavating, Pamar Enterprises, and Carnwath Excavating all gave the City bids to help complete this job. Pamar Enterprises was the low bid, coming in at \$384,948 to complete all items. The bid tab is attached for reference as Attachment 2 to this memo. Please note that Carnwath only bid the Water Main items on the sheet, so those were used for the comparison and to determine the low bidder.

Pamar is currently under contract with the City on two other jobs, Birchfield-Patrick Henry & the Dutton-Brown projects. We have discussed timing of the 2 current projects, and we think this job will align perfectly with the ending of those projects. The plan will be to begin this work late summer/early fall, as to have this wrapped up before winter. Pamar has been a great partner to work with so far and in the past on many similar projects.

Although this project and amount was not formally budgeted for, the bid prices came back very favorably for the Patrick Henry water main & the Dutton-Brown water main projects, so the savings from those 2 projects easily cover the cost of this smaller project, so an increase to the total water expenditure budget will not be required. This allows us to make important capital improvements to the system and expanding the scope of the project with a contractor currently under contract while staying within annual budget parameters.

Along with the project, OHM Advisors and G2 Consulting will help with inspection and engineering to make sure the project is done appropriately. Their estimated cost for OHM's services is set at \$37,480, while G2's estimated cost is set at \$8,000. The scope of services document is available for viewing as Attachment 3 to this memo.

STAFF RECOMMENDATION

Staff recommend awarding the construction contract for the Parkways water main replacement project to Pamar Enterprises. Staff also recommend awarding the construction services portion to OHM advisors and awarding the testing services to G2 Consulting. The total anticipated cost of the project to \$430,428, in which we will need an amendment to GL 592.536.971.002PARKWAYSCT26 to cover all expenses.

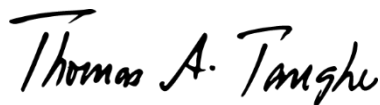
MOTION

Move to approve the construction contract to Pamar Enterprises for \$384,948, construction services to OHM Advisors for \$37,480, and material testing to G2 Consulting for \$8,000. Furthermore, a budget amendment is needed to increase appropriations for GL 592.536.971.002PARKWAYSCT26 by \$430,428.

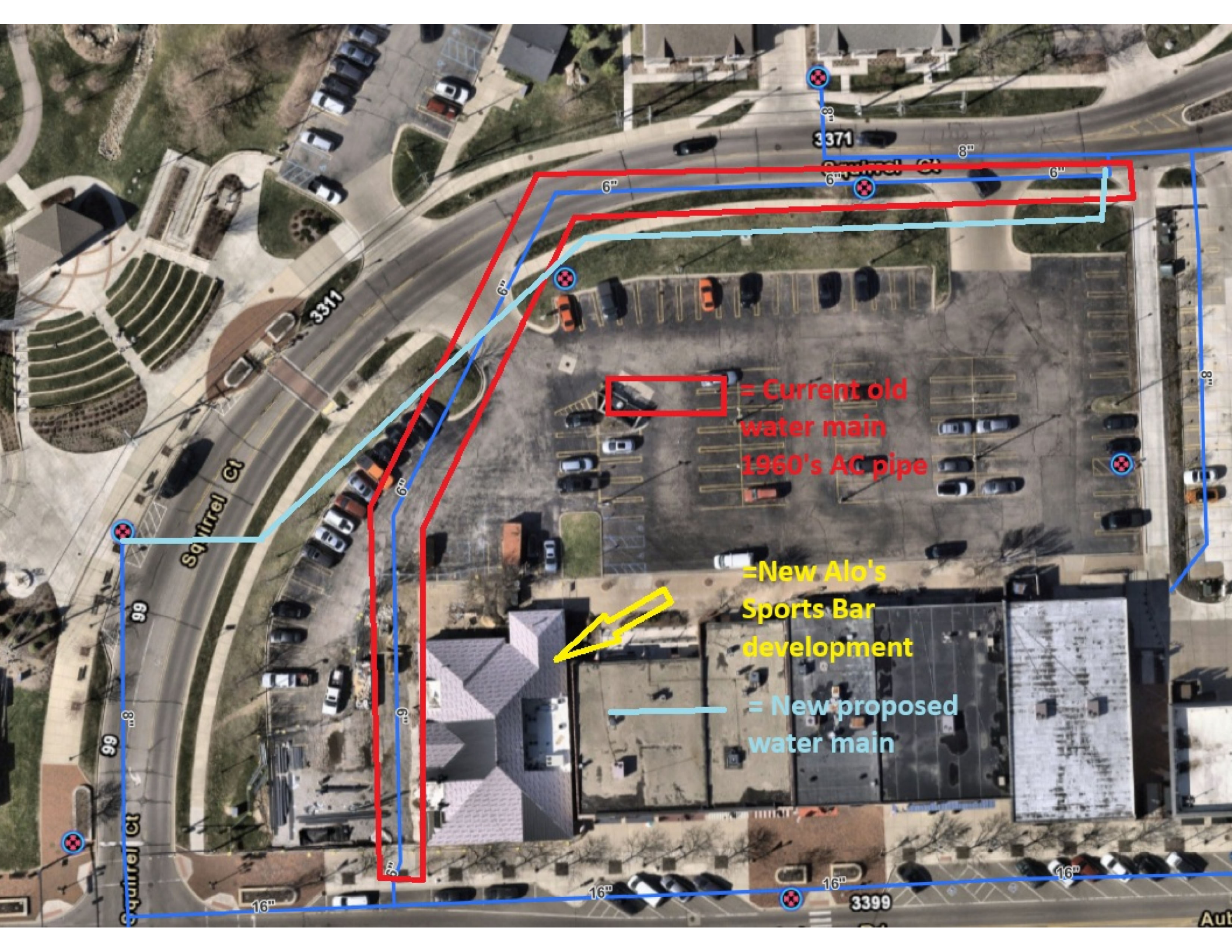
ATTACHMENTS

- Attachment 1 – Parkways WM overview
- Attachment 2 – Bid Tab
- Attachment 3 – OHM Scope of Services

I CONCUR:



THOMAS A. TANGHE, CITY MANAGER



= Current old water main
1960's AC pipe

= New Alo's Sports Bar development

= New proposed water main

3371

Squirrel Ct

3311

Squirrel Ct

99

99

Squirrel Ct

3399

Aut

16"

16"

16"

6"

6"

6"

9"

6"

8"

6"

8"

16"

16"

16"

16"

Item No.	Description	Estimated Quantity	Unit	Price	Amount	Unit Price	Amount	Unit Price	Amount
Category 1 - Public Water Main									
1)	Mobilization, Max 5%	1.00	LSUM	\$24,000.00	\$24,000.00	\$19,500.00	\$19,500.00	\$10,000.00	\$10,000.00
2)	Audio Video Route Survey	1.00	LSUM	\$1,750.00	\$1,750.00	\$2,190.00	\$2,190.00	\$0.00	\$0.00
3)	Curb and Gutter, Rem	210.00	Ft	\$20.00	\$4,200.00	\$13.50	\$2,835.00	\$11.00	\$2,310.00
4)	Sidewalk, Rem	265.00	Syd	\$13.00	\$3,445.00	\$7.50	\$1,987.50	\$16.50	\$4,372.50
5)	Driveway, Rem	239.00	Syd	\$17.00	\$4,063.00	\$10.00	\$2,390.00	\$16.50	\$3,943.50
6)	Pavt, Rem	92.00	Syd	\$32.50	\$2,990.00	\$28.00	\$2,576.00	\$16.50	\$1,518.00
7)	Exploratory Excavation	3.00	Ea	\$1,650.00	\$4,950.00	\$850.00	\$2,550.00	\$2,500.00	\$7,500.00
8)	Subgrade Undercutting, 1 by 3	25.00	Cyd	\$86.00	\$2,150.00	\$75.00	\$1,875.00	\$74.00	\$1,850.00
9)	Subgrade Undercutting, Type 21AA	25.00	Cyd	\$87.00	\$2,175.00	\$75.00	\$1,875.00	\$95.00	\$2,375.00
10)	Erosion Control	1.00	LSUM	\$4,500.00	\$4,500.00	\$500.00	\$500.00	\$8,500.00	\$8,500.00
11)	Project Cleanup	1.00	LSUM	\$8,000.00	\$8,000.00	\$1,250.00	\$1,250.00	\$5,000.00	\$5,000.00
12)	Aggregate Base, 4 inch, 21AA Limestone	291.00	Syd	\$15.00	\$4,365.00	\$12.00	\$3,492.00	\$0.00	\$0.00
13)	Aggregate Base, 8 inch, 21AA Limestone	363.00	Syd	\$34.00	\$12,342.00	\$14.00	\$5,082.00	\$0.00	\$0.00
14)	HMA, 3EML, 3.5 inch	101.00	Syd	\$105.00	\$10,605.00	\$85.00	\$8,585.00	\$0.00	\$0.00
15)	HMA, 4EML, 2.5 inch	101.00	Syd	\$80.00	\$8,080.00	\$58.00	\$5,858.00	\$0.00	\$0.00
16)	HMA, 5EML, 2 inch	101.00	Syd	\$78.00	\$7,878.00	\$56.00	\$5,656.00	\$0.00	\$0.00
17)	Driveway, Nonreinf Conc, 8 inch	239.00	Syd	\$95.00	\$22,705.00	\$75.00	\$17,925.00	\$0.00	\$0.00
18)	Curb and Gutter, Conc, Det F2	210.00	Ft	\$41.00	\$8,610.00	\$30.00	\$6,300.00	\$0.00	\$0.00
19)	Driveway Opening, Conc, Det M	126.00	Ft	\$47.00	\$5,922.00	\$35.00	\$4,410.00	\$0.00	\$0.00
20)	Detectable Warning Surface	8.00	Ft	\$105.00	\$840.00	\$155.00	\$1,240.00	\$0.00	\$0.00
21)	Sidewalk, Conc, 4 inch	2160.00	Sft	\$12.00	\$25,920.00	\$6.00	\$12,960.00	\$0.00	\$0.00
22)	Sidewalk Ramp, Conc, 6 inch	220.00	Sft	\$23.00	\$5,060.00	\$14.00	\$3,080.00	\$0.00	\$0.00
23)	Minor Traf Devices	1.00	LSUM	\$3,500.00	\$3,500.00	\$16,500.00	\$16,500.00	\$0.00	\$0.00
24)	Traffic Maintenance & Control	1.00	LSUM	\$7,500.00	\$7,500.00	\$2,500.00	\$2,500.00	\$0.00	\$0.00
25)	Turf Establishment, Performance, Sod	550.00	Syd	\$15.00	\$8,250.00	\$15.65	\$8,607.50	\$0.00	\$0.00
26)	Gate Well, Rem	1.00	Ea	\$2,650.00	\$2,650.00	\$350.00	\$350.00	\$2,600.00	\$2,600.00
27)	Hydrant, Rem	3.00	Ea	\$1,500.00	\$4,500.00	\$350.00	\$1,050.00	\$2,100.00	\$6,300.00
28)	Water Serv	8.00	Ea	\$5,200.00	\$41,600.00	\$1,895.00	\$15,160.00	\$2,780.00	\$22,240.00
29)	Sprinkler Line	450.00	Ft	\$8.00	\$3,600.00	\$2.82	\$1,269.00	\$0.00	\$0.00
30)	Water Main, CL 54 D.I., 6 inch, Open Cut, Sand Backfill	30.00	Ft	\$157.00	\$4,710.00	\$245.00	\$7,350.00	\$200.00	\$6,000.00
31)	Water Main, CL 54 D.I., 8 inch, Open Cut, Sand Backfill	520.00	Ft	\$170.00	\$88,400.00	\$292.00	\$151,840.00	\$248.00	\$128,960.00
32)	Connect to Existing Water Main	2.00	Ea	\$7,000.00	\$14,000.00	\$9,500.00	\$19,000.00	\$4,150.00	\$8,300.00
33)	Fire Hydrant	3.00	Ea	\$10,500.00	\$31,500.00	\$5,500.00	\$16,500.00	\$8,600.00	\$25,800.00
34)	Gate Valve and Well, 8 inch	3.00	Ea	\$12,250.00	\$36,750.00	\$7,500.00	\$22,500.00	\$7,800.00	\$23,400.00
35)	Sprinkler Head, Replace	23.00	Ea	\$75.00	\$1,725.00	\$85.00	\$1,955.00	\$0.00	\$0.00
36)	Water Main, Abandon with Flowable Fill	1.00	LSUM	\$4,500.00	\$4,500.00	\$1,750.00	\$1,750.00	\$17,000.00	\$17,000.00
37)	Contractor Staking	1.00	LSUM	\$7,600.00	\$7,600.00	\$4,500.00	\$4,500.00	\$0.00	\$0.00
38)	Crew Days	\$860.00	Cday	20	\$17,200.00	18	\$15,480.00	15	\$12,900.00
Category 1 Subtotal (Items 1-38 Incl.):					\$452,535.00		\$400,428.00		\$300,869.00
25a)	Turf Establishment, Performance, Seed	550.00	Syd	\$12.00	\$6,600.00	\$0.00	\$0.00	\$0.00	\$0.00
Category 2 - Private Water Main									
39)	Sidewalk, Rem	14.00	Syd	\$23.00	\$322.00	\$0.00	\$0.00	\$0.00	\$0.00
40)	Aggregate Base, 4 inch, 21AA Limestone	15.00	Syd	\$17.00	\$255.00	\$0.00	\$0.00	\$0.00	\$0.00
41)	Sidewalk, Conc, 4 inch	120.00	Sft	\$15.00	\$1,800.00	\$0.00	\$0.00	\$0.00	\$0.00
42)	Gate Well, Rem	1.00	Ea	\$2,650.00	\$2,650.00	\$0.00	\$0.00	\$0.00	\$0.00
43)	Water Main, CL 54 D.I., 2 inch, Open Cut, Sand Backfill	154.00	Ft	\$98.00	\$15,092.00	\$0.00	\$0.00	\$0.00	\$0.00
44)	Water Main, CL 54 D.I., 6 inch, Open Cut, Sand Backfill	157.00	Ft	\$162.00	\$25,434.00	\$0.00	\$0.00	\$0.00	\$0.00
45)	Water Main, Rem	110.00	Ft	\$25.00	\$2,750.00	\$0.00	\$0.00	\$0.00	\$0.00
46)	Connect to Existing Water Main	1.00	Ea	\$6,200.00	\$6,200.00	\$0.00	\$0.00	\$0.00	\$0.00
47)	Stop Box, 2 inch	1.00	Ea	\$3,500.00	\$3,500.00	\$0.00	\$0.00	\$0.00	\$0.00
48)	Gate Valve and Well, 6 inch	1.00	Ea	\$11,000.00	\$11,000.00	\$0.00	\$0.00	\$0.00	\$0.00
49)	Crew Days	\$860.00	Cday	7	\$6,020.00	0	\$0.00	0	\$0.00
Category 2 Subtotal (Items 39-49 Incl.):					\$75,023.00		\$0.00		\$0.00
Total Bid Amount (Categories 1 & 2 Incl.):					\$527,558.00		\$400,428.00		\$300,869.00

CORRECTIONS



May 26, 2026

Mr. Stephen Baldante
Director of Public Works
City of Auburn Hills
1500 Brown Road
Auburn Hills, Michigan 48326

RE: **Parkways Blvd Water Main Replacement**
Scope of Construction Services

Dear Mr. Baldante:

Outlined below is a Scope of Work for construction services to be provided by OHM Advisors for the above referenced project.

PROJECT UNDERSTANDING

It is our understanding that the City plans to move forward with the construction phase of the Parkways Blvd water main replacement. The proposed project consists of approximately 520 feet of new 8-inch Ductile Iron (DI) water main to replace the existing Asbestos-cement (AC) water main. The portion to be replaced is located between the proposed Alo's Sports Bar and the roundabout located at the Parkways Blvd and Squirrel Road intersection. This project is being funded by the City's water fund.

SCOPE OF SERVICE

Construction Engineering / Observation

Under this task the project team will observe the construction efforts on the project and assist with any necessary field changes to successfully complete the work. Specific work efforts include:

- ▶ Provide daily observation of the project when construction work is occurring to verify that materials, installation, and construction methods used are in conformance with the project plans and specifications as well as applicable standards. Full-time observation will be provided for all utility construction and pavement repairs.
- ▶ Produce daily field reports to document construction activities and record quantities of contract pay items.
- ▶ Prepare and provide the Contractor with a list of required submittals and review shop drawings, construction schedules, materials certifications, and other submittals.
- ▶ Address Contractor's construction concerns and resolve conflicts with the executed contract specifications.
- ▶ Arrange and attend regularly scheduled progress meetings during the construction phase. It is anticipated that meetings will be held weekly during the active construction period.
- ▶ Coordinate with the materials testing consultant on material related items.
- ▶ Coordinate with the property owners and other stakeholders in the construction area regarding access, traffic staging, schedule, and other pertinent items for the duration of the project.
- ▶ Prepare and deliver record (As-Built) plans that include the constructed location of all installed underground utilities. Record plans will be delivered electronically in PDF format.



Contract Administration

Under this task, the project team will complete services necessary to administer the contract. Specific work efforts include:

- ▶ Arrange and attend one (1) pre-construction meeting prior to the start of the project.
- ▶ Review Contractor’s progress on the project to ensure that the work is in compliance with the proposed schedule.
- ▶ Prepare monthly construction pay estimates and process contract change orders (if required).
- ▶ Request and review information from the Contractor to verify compliance with wage rates, Buy America, and other funding requirements.
- ▶ Review construction claims and coordinate claim resolution with Contractor and City.
- ▶ Request and collect Contractor’s declaration, contractor’s affidavit, waivers from major suppliers and subcontractors, release of surety, and release from other public agencies for which permits have been obtained under this contract.

Crew Days (Construction Observation)

This project contract includes a line item for Crew Days in Contractor’s bid. This item is for construction observation required for the Contractor’s operations. OHM will provide daily observation of work under this Crew Day item. Full-time inspection will be provided for all construction operations as indicated in the contract specifications for Crew Days. The Contractor has included the Crew Day amount in their bid based on their anticipated schedule for the project.

SCHEDULE

Based on the Council meeting schedule, we anticipate that the project award would be approved at the June 1st Council meeting. Construction on the project is anticipated to begin in mid-July if construction materials can be procured by then and weather permits. The project is expected to be completed by fall of 2026.

COMPENSATION

The construction engineering and contract administration outlined above will be performed on an hourly basis for the not-to-exceed amount of twenty-two thousand dollars (\$22,000.00). The construction observation as Crew Days will be performed on a per day basis for the amount of fifteen thousand four hundred eighty dollars (\$15,480.00), which is based on the amount bid by the Contractor for this item. The City will be invoiced for services on a monthly basis. The estimated budget breakdown is as follows:

	Construction Engineering	Contract Administration	Crew Days (Observation)	Total
Parkways Blvd Water Main Replacement	\$12,000	\$10,000	\$15,480	\$37,480
			Materials Testing Services (G2)	\$8,000



FURTHER CLARIFICATIONS AND ASSUMPTIONS

The above-listed scope of services was prepared with the following assumptions:

- Materials testing services will be provided by G2 Consulting Group under a separate contract and are not included in this scope of services. The estimated amount for this service is indicated above.
- The City will be responsible for all permit fees.

Should you find this agreement acceptable, please execute both copies and return one copy to us for our files. We look forward to providing professional services on this project. If you have any questions, please contact us.

Sincerely,

OHM ADVISORS

Hannah Driesenga

Hannah Driesenga, P.E.
Client Representative

cc: Jason Deman, Manager of Public Utilities
Tim Juidici, OHM
Jim Pontek, OHM
File

**City of Auburn Hills
Parkways Blvd Water Main Replacement
Construction Services**

Accepted By: _____

Printed Name: _____

Title: _____

Date: _____



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 1, 2026

AGENDA ITEM NO 7J

FINANCE/TREASURER

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Michelle Schulz, Finance Director
Submitted: May 28, 2026
Subject: Motion – Move to increase retiree health care appropriations of the General Fund departments, Major and Local Road Fund, Water and Sewer Fund, and the Fleet Fund

INTRODUCTION AND HISTORY

Each year staff appropriates funds for the City’s Actuarial Determined Contribution (ADC) using the forecasted figures from the actuarial projections. In 2025, after years of minimal cost increases, medical costs for the City rose over 17.7%. This sudden sharp increase prompted the City’s actuaries to reevaluate their assumptions regarding current Retiree Health Care liability and future expected trends. This resulted in the City’s Actuarially Determined Contribution as of 12/31/2025 for 2026 more than doubling what was previously projected for 2026. The chart below reflects the previous budget projection of \$299,997 and the current required ADC of \$622,898. An amendment to the 2026 budget is necessary to accommodate this increase of \$322,901.

Retiree Health Care Contributions		2026 Budget	Required 2026 Budget	2026 Increase in Appropriations
General Fund Departments				
101-101-723.000	City Council	\$ 1,734	\$ 3,968	\$ 2,234
101-172-723.000	City Manager	1,734	3,968	2,234
101-253-723.000	Treasurer/Finance	1,734	3,968	2,234
101-261-723.000	General Admin	220,231	440,393	220,162
101-265-723.000	Facilities	6,936	15,869	8,933
101-270-723.000	Human Resources	1,734	3,968	2,234
101-301-723.000	Patrol	15,607	35,707	20,100
101-305-723.000	Police Admin	8,671	19,837	11,166
101-336-723.000	Fire Admin	-	3,968	3,968
101-339-723.000	Fire Suppression	1,734	3,968	2,234
101-341-723.000	Fire Prevention	5,202	11,902	6,700
101-371-723.000	Buildng	3,468	7,935	4,467
101-441-723.000	DPW Admn	5,202	11,902	6,700
101-651-723.000	EMS	6,936	11,902	4,966
101-703-723.000	Community Development	3,468	7,935	4,467
	General Fund Total	\$ 284,391	\$ 587,190	\$ 302,799
202-452-723.000	Major Roads Fund	3,468	3,968	500
203-453-723.000	Local Roads Fund	3,468	7,935	4,467
592-535-723.000	Water/Sewer Fund-Sewer	-	3,968	3,968
592-536-723.000	Water/Sewer Fund-Water	6,936	15,869	8,933
661-594-723.000	Fleet Fund	1,734	3,968	2,234
	All Fund Totals	\$ 299,997	\$ 622,898	\$ 322,901

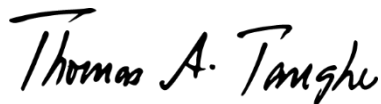
STAFF RECOMMENDATION

Staff recommend increasing the appropriations in the General Fund departments, Major and Local Road Funds, Water/Sewer Fund, and Fleet Fund as shown in the table above. The total increase in appropriations for the General Fund Departments as listed is \$302,799, the Major Road Fund is \$500, the Local Road Fund of \$4,467, the departments of the Water and Sewer fund by \$12,901, and the Fleet Fund by \$2,234.

MOTION

Move to increase retire health care appropriations of the General Fund departments, Major and Local Road Funds, the Water and Sewer Fund, and the Fleet Fund as listed in the enclosed table totaling an overall increase to the City budget of \$322,901.

I CONCUR:



THOMAS A. TANGHE, CITY MANAGER