

April 8, 2004

TO: The Honorable Mayor and City Council Members
FROM: John Szerlag, City Manager
SUBJECT: Letter of Transmittal; Proposed Fiscal Year 2005/06 Annual Budget

The proposed fiscal year 2005/06 budget is being submitted for your review; it will be handed out to you at Monday night's meeting. The first 25 pages of this document provide a concise summary of the entire budget. Based on your direction to me at our January 17, 2005 study session, as well as my instructions to staff, this budget advances the following:

- 1) The City's millage rate remains at 9.45 mils for the fourth consecutive year.
- 2) The total City budget of \$140.2 million decreased by \$.4 million or .3% from the previous year.
- 3) A transfer of .25 mils from the Debt Service Fund to the General Fund is included in this budget. This results in a large decrease in the reliance on Fund Balance reserves when compared with last year (\$3.1 million versus \$1.3 million).

The undesignated General Fund reserves are anticipated to equal at least 15.3% of the recommended budget. In addition, \$100,000 will be transferred to the Budget Stabilization Fund.

- 4) Capital projects funds are contained on pages 216-267 of the proposed budget and I'll once again be providing a condensed listing of proposed projects greater than \$50,000
- 5) We have reduced the full-time workforce by three positions to a lean 485. Our full-time work force equates to 5.65 employees for every 1,000 Troy residents, and with an estimated citywide workforce of 102,571, this equates to about 4.73 full-time City of Troy employees per 1,000 people who work here.

The three positions were reduced through attrition and include one in the Building Department, and two in Public Works. Of course, we'll endeavor to maintain the same level of service by redistributing tasks amongst current employees and through the addition of part-time employees.

Thank you for your direction which assisted greatly in developing this document.

John Lamerato, Brian Murphy, and I stand ready to respond to any comments you may have.