

THE TROY STORY

Where We've Been | Where We Are | Where We're Going



THE TROY STORY

Where We've Been

Vision 2020 (2006)
Zucker Report (2008)
ICMA Study (2011)

Where We Are

How Troy Compares to Neighboring Communities
Debt Service and Financial Situation

Where We're Going

Rebalancing Service Levels
Management Scenario

Where
We've Been

Past Studies

Vision 2020 (October 2006)

Create Master Plan
Promote Troy as an Environment for Investment
Upgrade Public Transportation – Transit Center

Zucker Report (January 2008)

Accept electronic documents for plan submittals
Issue permits over the internet
Zoning Verification Site and Compliance Inspections in 5 days
Field computers for inspectors

ICMA Study (January 2011)

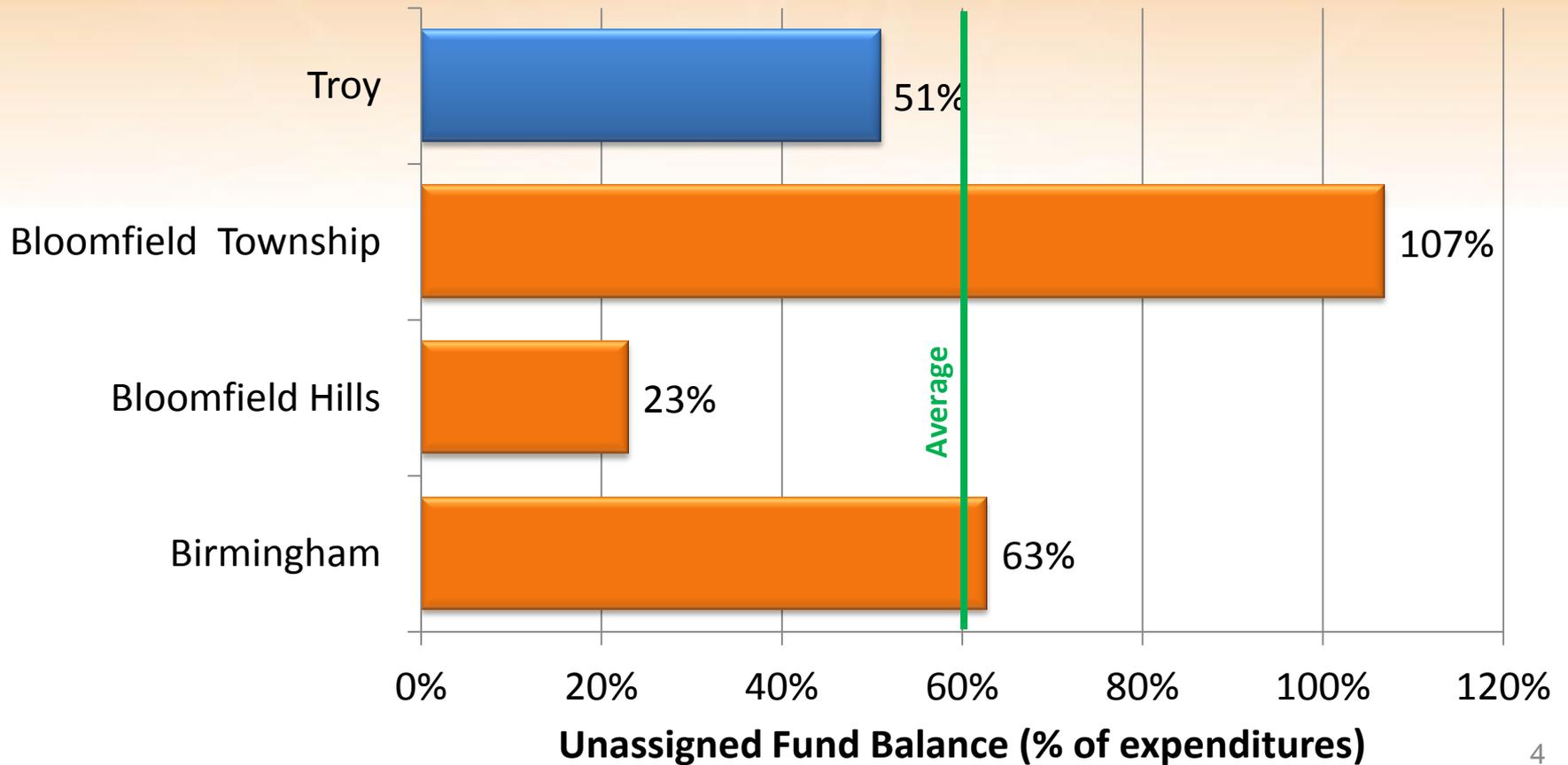
Police Transition from Specialists to Generalists
Public Works Increase Maintenance Division Collaboration
Fire Efficiency Increase through Departmental Restructure

Where
We Are

How Troy Compares

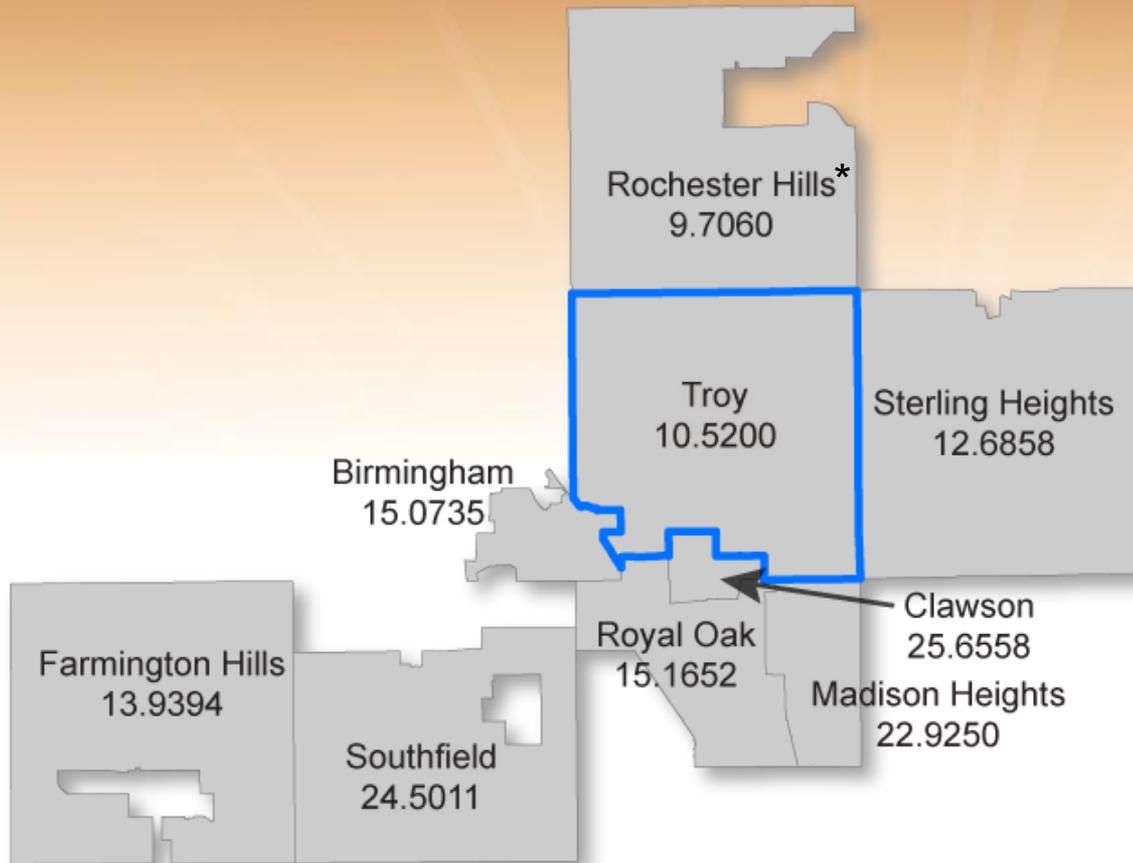
To All AAA Rated Michigan Communities

2012 AAA Municipal Bond Rating Analysis As Rated by Standard and Poor's



Where
We Are

City Millage Rate Comparison



Troy's Millage Composition

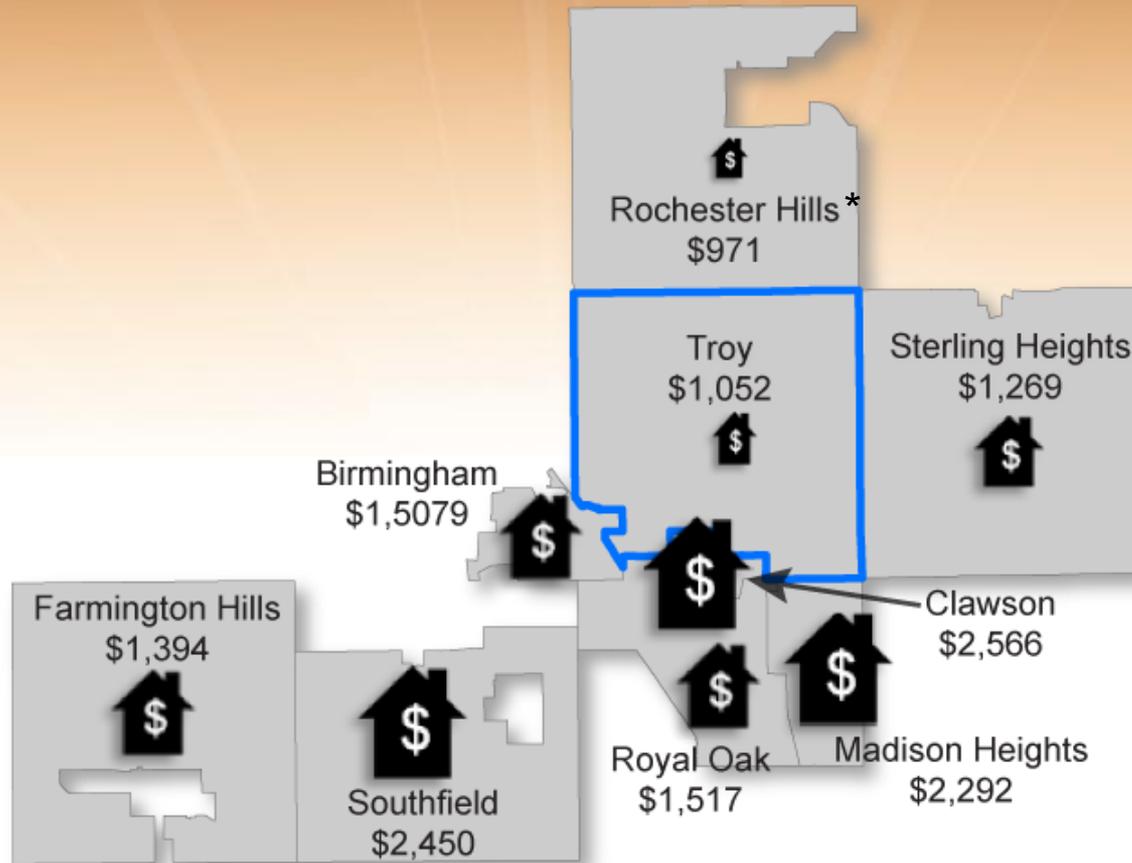
Operating:	6.5000
Capital:	1.5300
Library:	0.7000
Refuse:	1.0900
Debt:	0.7000
Total:	10.5200

Millage Rate

* Rochester Hills does not include refuse collection. Estimated additional \$200 per year. Troy cost of \$109 is included. 5

Where
We Are

City Tax Bill Comparison



**Tax on a \$200,000 Home
(\$100,000 Taxable Value)**

* Rochester Hills does not include refuse collection. Estimated additional \$200 per year. Troy cost of \$109 is included. 6

Where
We Are

City Tax Bill Comparison



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Total Debt Service

City of Troy General Obligation Debt (June 30, 2013)

Issue	Amount Outstanding	Funding Source	Fiscal 2014 Debt Service	Percent Governmental Expenditures*	Debt Per Capita**
Proposal A - Streets	\$ 6,225,000	Debt Fund	\$ 881,268	1.02%	\$ 75
Proposal B - Public Safety Facilities	8,850,000	Debt Fund	1,376,075	1.59%	107
Proposal C - Community Center	4,840,000	Debt Fund	746,200	0.86%	58
County Contract - GWK Drains	2,040,232	Capital Projects	218,880	0.25%	25
County Contract - North Arm Relief	415,304	Capital Projects	56,966	0.07%	5
MTF Street Bonds	250,000	Capital Projects	264,050	0.31%	3
Total General Obligation Debt	\$ 22,620,536		\$ 3,543,439	4.10%	\$ 273
Legal Debt Limit (10% Assessed Value)	441,010,890				
Legal Debt Margin - General Obligation	418,390,354				

* 2014 Total Budgeted Governmental Expenditures (General, Special, Capital and Debt Service Funds) \$86,451,393

** 2013 estimated population per SEMCOG 82,853

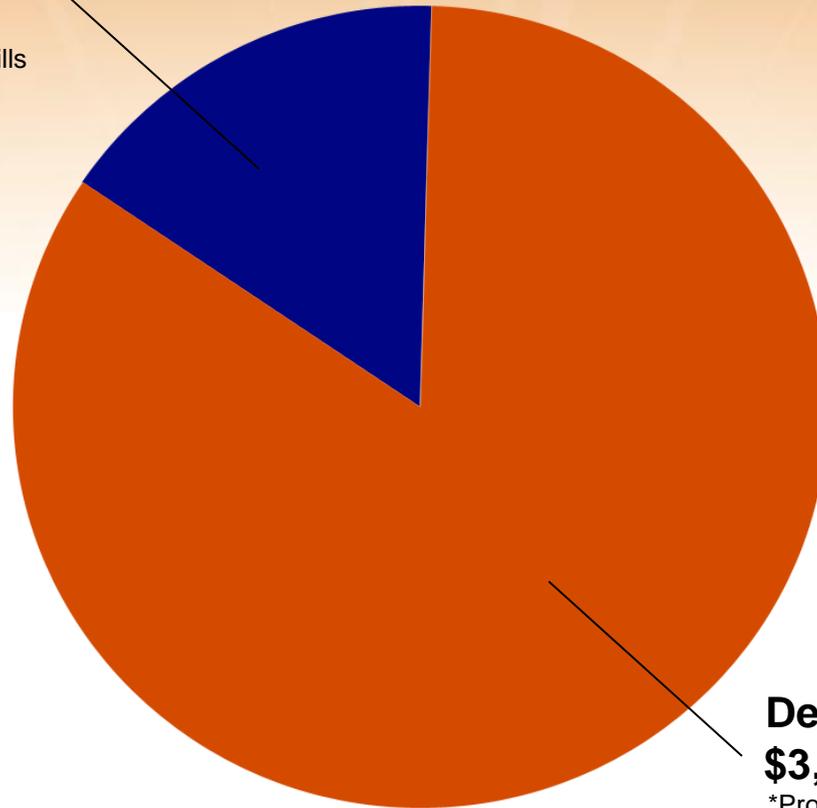
Where
We Are

Annual Debt Service

Capital Projects

\$539,836

*City Charter Authorized Millage
1.53 mills
Does not expire
Operating + Capital = 8.03 mills



Debt Fund
\$3,003,543

*Proposals A,B,C
0.7 mills
Expires 2021

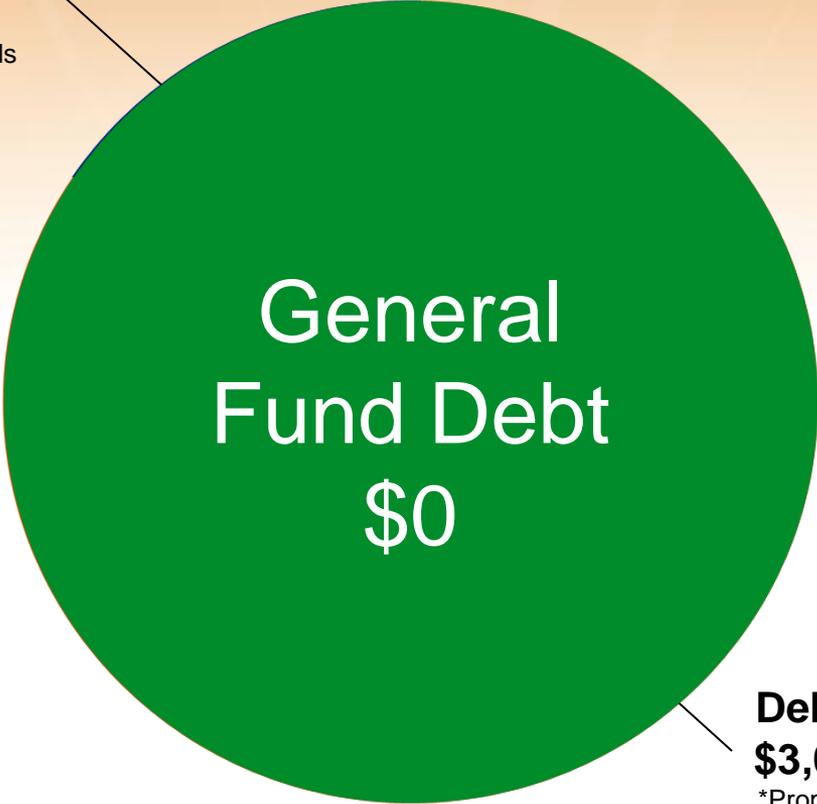
Where
We Are

Annual Debt Service

Capital Projects

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General
Fund Debt
\$0

Debt Fund
\$3,003,543

*Proposals A,B,C
0.7 mills
Expires 2021

2008 - 2013

Tax Revenue declined \$7 million
Total Revenue declined \$10.8 million



2008 - 2013

Expenditures reduced by \$14.9 million

\$10.6 million from employee concessions, retirement incentives, position eliminations



2012

\$4.3 million reduction from the Library



History of Unassigned Fund Balance

Year	2008	2009	2010	2011	2012	2013
Revenues	\$61.422	\$59.935	\$61.013	\$55.612	\$52.208	\$50.618
Expenditures	62.655	62.253	58.585	53.695	45.762	47.769
Surplus/(Shortfall)	(1.233)	(2.318)	2.427	1.916	6.446	2.849
Change in Designated FB	(.927)	4.131	(2.224)	(0.278)	4.534	(1.243)
Unassigned Fund Balance	8.706	10.519	10.722	12.360	23.340	24.946
Unassigned % of Exp.	13.9%	16.9%	18.3%	23.0%	51.0%	53.5%

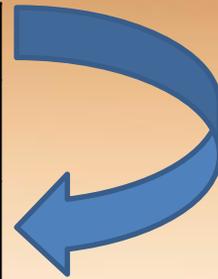
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What the
City did

2008 - 2013

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Where
We Are

Impact Without Library Millage



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2012

\$4.53 million reclassified due to unneeded tax tribunal funds

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Total Full Time Staff

2008: 472

2013: 301

Reduced by 171 Full Time Employees (36.2%)

Where
We're Going

Rebalancing Service Levels

Infrastructure



Internal



Facilities



Miscellaneous



Where
We're Going

Management Scenario

Police

Reinstate Traffic Safety Unit

Where
We're Going

Reinstate Traffic Safety Unit Management Scenario

What

Reinstate one (1) Sergeant
Reinstate three (3) Police Officers

Why

Increase staff during daily peak service times

Cost

\$500,000 annually



Where
We're Going

Management Scenario

Police

Reinstate Traffic Safety Unit

Public Works

Increase Strategic Plowing of Local Roads

Reinstate Snow/Ice Control for School Route Sidewalks

Where
We're Going

Strategic Plowing of Local Roads Management Scenario

What

Plow local roads more frequently than 'Four Inch' rule

Why

Better road conditions throughout the City
Better service to residents

Current
Budget

3 snow events @ \$120k each = \$360k

Proposed
Addition

6 snow events @ 120k each = \$720k*



*Based on 5-Year Average

Where
We're Going

Snow/Ice Control on School Route Sidewalks Management Scenario

What

Focus on residential school route sidewalks

Why

Safer conditions for children

Collaboration with schools for ongoing route evaluation



Current
Budget

None

Proposed
Addition

9 snow events @ \$7k each = \$63k*

Total Cost

Plowing (\$720k) + Snow/Ice Control (\$63k) = **\$783,000 annually**

*Based on 5-Year Average

Where
We're Going

Management Scenario

Police

Reinstate Traffic Safety Unit

Public Works

Increase Strategic Plowing of Local Roads

Reinstate Snow/Ice Control for School Route Sidewalks

Fire

Increase Fire Prevention and Outreach

Replace Obsolete Station 4 (1968)

**Where
We're Going**

Fire Department Management Scenario

What

Reinstate one (1) Staff Technician
Replace Fire Station 4

Why

Increase fire safety inspections
Provide educational programs to reduce fire risk
Replace obsolete facility (1968)

**Tech
Cost**

\$100,000 annually

**Station 4
Cost**

\$3.5 million



Where
We're Going

Management Scenario

Police

Reinstate Traffic Safety Unit

Public Works

Increase Strategic Plowing of Local Roads

Reinstate Snow/Ice Control for School Route Sidewalks

Fire

Increase Fire Prevention and Outreach

Replace Obsolete Station 4 (1968)

Infrastructure

Reconstruct High Traffic Roads

Where
We're Going

Reconstruct High Traffic Roads Management Scenario

What

Big Beaver: Dequindre to Rochester, Adams to Livernois

Long Lake: Adams to John R

John R: Maple to Long Lake

Why

Roads impact every resident, worker, and business

Heavily traveled roads are in the worst condition

Cost

Total Cost: \$7.56 million

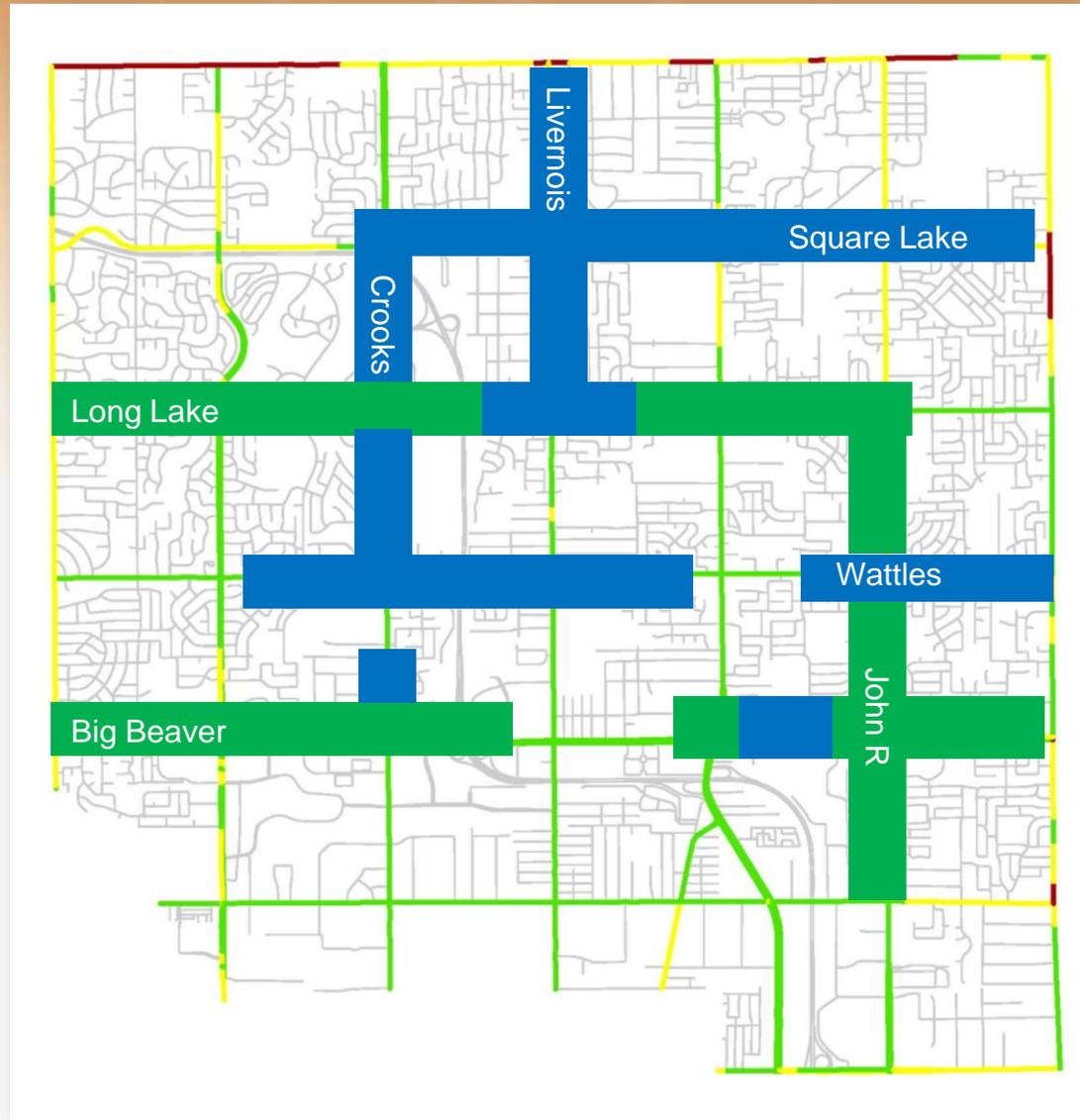
Troy's Contribution: \$6.3 million

County's Contribution: \$1.26 million



Where
We're Going

Reconstruct High Traffic Roads Management Scenario



Budgeted

**Management
Scenario \$6.3M**

Where
We're Going

Management Scenario

Police

Reinstate Traffic Safety Unit

Public Works

Increase Strategic Plowing of Local Roads

Reinstate Snow/Ice Control for School Route Sidewalks

Fire

Increase Fire Prevention and Outreach

Replace Obsolete Station 4 (1968)

Infrastructure

Reconstruct High Traffic Roads

Internal

Eliminate Furlough Hours (52 Hours Annually)

Reinstate Risk Management Position

Where
We're Going

Furlough and Risk Management Management Scenario

What

Eliminate furlough hours (52 Hours Annually)
Reinstate Risk Management Position

Why

Employee morale, productivity
40 hours work = 40 hours pay
Reduce organizational liability issues

**Furlough
Cost**

\$500,000 annually

**Risk Mgmt
Cost**

\$104,000 annually



Where
We're Going

Management Scenario

Police

Reinstate Traffic Safety Unit

Public Works

Increase Strategic Plowing of Local Roads

Reinstate Snow/Ice Control for School Route Sidewalks

Fire

Increase Fire Prevention and Outreach

Replace Obsolete Station 4 (1968)

Infrastructure

Reconstruct High Traffic Roads

Internal

Eliminate Furlough Hours (52 Hours Annually)

Reinstate Risk Management Position

Recreation

Reinstate Family and 50+ Programs

Where
We're Going

Reinstate Family and 50+ Programs Management Scenario

What

Increase special events/programs for families and 50+

Why

A more comprehensive experience for residents

Cost

\$50,000 annually



Where
We're Going

Management Scenario

Police

Reinstate Traffic Safety Unit

Public Works

Increase Strategic Plowing of Local Roads

Reinstate Snow/Ice Control for School Route Sidewalks

Fire

Increase Fire Prevention and Outreach

Replace Obsolete Station 4 (1968)

Infrastructure

Reconstruct High Traffic Roads

Internal

Eliminate Furlough Hours (52 Hours Annually)

Reinstate Risk Management Position

Recreation

Reinstate Family and 50+ Programs

Where
We're Going

Management Scenario

	Actual	Budget				Forecast	
	2013	2014	2015	2016	2017	2018	
Budgeted Revenues	\$ 50.618	\$ 52.088	\$ 52.118	\$ 52.605	\$ 53.505	\$ 54.535	
Budgeted Expenditures	(47.769)	(53.859)	(52.859)	(53.898)	(55.372)	(56.858)	
2014-2016 Budgeted Surplus/Shortfall	2.849	(1.771)	(0.741)	(1.293)	(1.867)	(2.323)	
Scenario:							
Operations:							
Eliminate Furlough	-	-	(0.500)	(0.500)	(0.500)	(0.500)	
Reinstate Traffic Safety Unit	-	-	(0.500)	(0.500)	(0.500)	(0.500)	
Reinstate Risk Manager	-	-	(0.104)	(0.104)	(0.104)	(0.104)	
Reinstate Recreation Programs	-	-	(0.050)	(0.050)	(0.050)	(0.050)	
Reinstate Fire Technician	-	-	(0.100)	(0.100)	(0.100)	(0.100)	
Increase Strategic Local Road Plowing	-	(0.720)	(0.720)	(0.720)	(0.720)	(0.720)	
Reinstate School Route Plowing	-	(0.063)	(0.063)	(0.063)	(0.063)	(0.063)	
Budget Breakeven Adjustment	-	1.771	0.741	1.293	1.867	2.323	
Infrastructure:							
Increase Street Repair Program			(3.150)	(3.150)			
Fire Station 4			(1.750)	(1.750)			
Other Infrastructure							
Surplus/(Shortfall)	2.849	(0.783)	(6.937)	(6.937)	(2.037)	(2.037)	
Est. Beginning Fund Balance	33.911	36.760	35.977	29.040	22.103	20.066	
Est. Ending Fund Balance	\$ 36.760	\$ 35.977	\$ 29.040	\$ 22.103	\$ 20.066	\$ 18.029	
Est. Unassigned Fund Balance	\$ 24.946	\$ 24.163	\$ 17.226	\$ 10.289	\$ 8.252	\$ 6.215	
Unassigned % of Expenditures	53.5%	45.7%	31.8%	18.8%	14.9%	11.0%	

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THE TROY STORY

Where We've Been

Tough Choices = Success at Fiscal Cliff

Where We Are

Best Place to Raise a Family

AAA Bond Rating

One of the Lowest Millage Rates in Michigan

Cash Reserves

Where We're Going

Collaborating on Opportunities for Success

Discussing Fund Balance Level Resolutions

Evaluating Service Levels

Determining Infrastructure Needs

Maintaining AAA Bond Rating

Regaining 'Safest City' Designation