

December 14, 2005

TO: The Honorable Mayor and City Council Members

FROM: John Szerlag, City Manager

SUBJECT: Results of Individual Council Interviews
Having Budgetary Implications

I wish to thank all of you for taking time out of your schedule to meet with me and discuss your perspective of Troy's future vision. As the governing body, you are the navigator responsible for charting our future course as a community, and the good news is that there are many shared values.

As promised at our December 5, 2005 Council meeting where we discussed this matter, I'm reducing to writing those issues having fiscal year 2006-07 budget implications where the majority of you are in agreement. In other words, your direction to me as a governing body is to submit a budget document containing the following elements:

- 1) No increase in property taxes.
- 2) Continuation of the debt service transfer of .25 mills to operating millage without increasing the overall tax rate of 9.45 mills.
- 3) Maintain a high level of municipal services. However, if there needs to be a reduction in service, look first to non-essential areas which are defined as leisure activities incorporating the following departments:
 - Parks and Recreation
 - Outdoor Education Center
 - Library
 - Museum

Further, look to an increase in fees in the above-referenced leisure areas in order to maintain the high level of service. Of course, a business case justifying any fee increase would first have to be performed.

- 4) City management to always look at efficiencies, and privatization where cost effective.
- 5) We should strive to maintain a General Fund balance of at least 12 percent.

- 6) Capital expenditures priority follows:
 - a. Infrastructure
 - b. Park Development
 - c. IT Improvements
- 7) Management should examine alternative modes of transit based on a business case analysis.
- 8) It's important to have Troy keep it's "above-the-norm" rating by our residents when compared to other cities that participated in the International City Management Association (ICMA) citizens survey.

During our December 5 discussion on this matter, I was also asked by Council members to increase marketing efforts of the City and to seek grants to help offset operational/capital costs. In addition, the City Attorney's Office was asked to look into current cases regarding cities who use private advertising which exclude alcohol and tobacco products.

As always, feel free to contact me should you have any questions.

JS/mr\AGENDA ITEM\2005\12.19.05 – Results of Council Interviews

c: Department Directors