

Mayor Pro Tem Henderson performed the Invocation. The Pledge of Allegiance to the Flag was given.

A. CALL TO ORDER:

A Regular Meeting of the Troy City Council was held on Monday, February 3, 2014, at City Hall, 500 W. Big Beaver Rd. Mayor Slater called the meeting to order at 7:32 PM.

B. ROLL CALL:

Mayor Dane Slater
Jim Campbell
Wade Fleming
Dave Henderson
Ellen Hodorek
Ed Pennington
Doug Tietz

C. CERTIFICATES OF RECOGNITION AND SPECIAL PRESENTATIONS:

C-1 Chief Gary Mayer Presented Safest City Award

C-2 Glenn Lapin Presented an Economic Development Activity Update

C-3 Mayor Dane Slater Presented a Proclamation for Random Acts of Kindness Week, February 10-16, 2014 to Nancy Morrison, Troy Community Coalition Executive Director, Who Promoted the Incredible Kids Recognition Program

C-4 Representative Martin Howrylak Presented a Legislative Update

D. CARRYOVER ITEMS:

D-1 No Carryover Items

E. PUBLIC HEARINGS:

E-1 No Public Hearings

F. PUBLIC COMMENT FOR ITEMS ON THE AGENDA FROM TROY RESIDENTS AND BUSINESSES:

G. CITY COUNCIL/CITY ADMINISTRATION RESPONSE/REPLY TO PUBLIC COMMENT:

H. POSTPONED ITEMS:

H-1 No Postponed Items

I. REGULAR BUSINESS:

I-1 Board and Committee Appointments: a) Mayoral Appointments – None; b) City Council Appointments – None

a) Mayoral Appointments: None

b) City Council Appointments: None

I-2 Board and Committee Nominations: a) Mayoral Nominations – None; b) City Council Nominations – None

a) Mayoral Nominations: None

b) City Council Nominations: None

I-3 No Request for Closed Session

J. CONSENT AGENDA:

J-1a Approval of “J” Items NOT Removed for Discussion

Resolution #2014-02-013
Moved by Henderson
Seconded by Fleming

RESOLVED, That Troy City Council hereby **APPROVES** all items on the Consent Agenda as printed.

Yes: All-7
No: None

MOTION CARRIED

J-1b Address of “J” Items Removed for Discussion by City Council

J-2 Approval of City Council Minutes

Resolution #2014-02-013-J-2

RESOLVED, That Troy City Council hereby **APPROVES** the following Minutes as submitted:

- a) City Council Meeting Minutes-Draft – January 27, 2014

J-3 Proposed City of Troy Proclamations:

- a) Proclamation for Random Acts of Kindness Week – February 10-16, 2014

J-4 Standard Purchasing Resolutions: None Submitted

K. MEMORANDUMS AND FUTURE COUNCIL AGENDA ITEMS:

K-1 Announcement of Public Hearings:

- a) February 10, 2014 - Rezoning Application – Proposed Professional/Medical Building West of Rochester, South Side of Colebrook (3545 Rochester Road) From R-1C (One Family Residential) District to CB (Community Business) District
- b) February 10, 2014 – Zoning Ordinance Text Amendment – Assisted Living Facilities ZOTA - 246

K-2 Memorandums (Items submitted to City Council that may require consideration at some future point in time): None Submitted

L. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA FROM TROY RESIDENTS AND BUSINESSES:

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| Bernardi, Maryanne | Spoke about tree preservation in Troy. |
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M. COUNCIL REFERRALS:

Items Advanced to the City Manager by Individual City Council Members for Placement on the Agenda

M-1 No Council Referrals Advanced

N. COUNCIL COMMENTS:

N-1 Council Comments Advanced

Council Member Tietz requested that Mayor Slater give a brief overview of the topics that will be discussed during the Joint City Council/Planning Commission meeting scheduled on February 11, 2014 at 7:30 PM in the Council Boardroom at City Hall, 500 W. Big Beaver Rd., Troy, MI 48084.

Council Member Hodorek commented positively on economic developments in Troy.

O. REPORTS:**O-1 Minutes – Boards and Committees:**

- a) Planning Commission-Draft – January 14, 2014
- b) Planning Commission-Final – January 14, 2014
- c) Zoning Board of Appeals-Draft – January 21, 2014
- d) Animal Control Appeal Board-Draft – January 22, 2014
Noted and Filed

O-2 Department Reports:

- a) Quarterly Financial Report Ending December 31, 2013
Noted and Filed

O-3 Letters of Appreciation:

- a) To Cathy Russ From Kerry Bentivolio Regarding Hosting House of Representatives 11th Congressional District Mobile Constituent Service
Noted and Filed

O-4 Proposed Proclamations/Resolutions from Other Organizations: None Submitted**O-5 Notice of Hearing for the Natural Gas Customers of Consumers Energy Company – Case No. U-17334 – February 6, 2014 at 9:00 AM**

Noted and Filed

P. COMMENTS ON ITEMS ON OR NOT ON THE AGENDA FROM MEMBERS OF THE PUBLIC OUTSIDE OF TROY (NOT RESIDENTS OF TROY AND NOT FROM TROY BUSINESSES):

The Meeting **RECESSED** at 8:26 PM.

The Meeting **RECONVENED** at 8:31 PM.

Q. STUDY ITEMS:**Q-1 Bond Rating (Introduced by: *Brian Kischnick, City Manager with Special Guest Bobby Bendzinski, Bendzinski & Co.*)**

Mayor Slater opened the discussion and called on City Manager Kischnick to introduce the topic Bond Rating.

City Manager Kischnick laid out the format and began the discussion about Bond Rating. He began a PowerPoint presentation that will cover the information discussed during the meeting. He introduced Bobby Bendzinski from Bendzinski & Co.

Mr. Bendzinski began by explaining rating agencies and their methodologies. He discussed the presentation slides.

Council Member Campbell discussed a city in Indiana with 30% fund balance that was devastated by a tornado and needed that fund balance to survive. He said 20% seems like a safe number for a fund balance minimum.

City Manager Kischnick indicated that an informational video will be available on the City website.

Mayor Slater said he was looking for expert guidance on a good fund balance percentage and he got that information tonight. He clarified that Troy meets criteria for AAA and that 30% fund balance would be a good minimum to maintain our AAA.

Mr. Bendzinski reiterated that the income flexibility limited by the Charter hinders Troy, so more fund balance can only help.

Mr. Kischnick stated that the tax cap is what will keep Troy at AA+, regardless of fund balance percentage.

Council Member Tietz agreed with Council Member Campbell and stated that he would feel uncomfortable spending down the fund balance on something that will not make a difference in the future as much as planning for legacy costs. He thinks Council should think of long-term investing in pension obligations, for example.

Mayor Slater summarized that tonight was about what it takes to maintain Troy's good bond ratings. Future budget discussions will cover fund balance spending vs. saving.

Council Member Hodorek asked what is Oakland County's fund balance. Mr. Bendzinski answered that he believes it is 50%, but that Oakland County handles their fund balance uniquely from other government bodies.

Mayor Pro Tem Henderson asked if 20-30% is the direction for fund balance. He asked if taking fund balance from 50% down to 30% would affect Troy's AAA rating. Mr. Bendzinski stated that media coverage of Troy reducing fund balance could draw a review from an agency. Mayor Pro Tem Henderson asked if paying pension obligations would look positive to agencies. Mr. Bendzinski stated paying down debt is generally positive; however, there are times when an agency may consider paying debt in advance not positively.

Mr. Kischnick stated that if you have 50% fund balance and take it down to 30%, and you use it to pay for pensions and capital, would an agency look down at that. Mr. Bendzinski stated it depends on how much is compared to the whole. In addition, it depends on whether the capital project is needed.

Council Member Hodorek stated that Troy has serious needs to keep moving forward with economic development. She discussed the condition of roads and asked if we spend money on roads now instead of spending more on roads later when they're in worse shape, wouldn't that look better?

Mr. Bendzinski stated yes, that would look better to an agency.

Mayor Slater brought the conversation back from budget discussions to the topic of bond rating. He feels comfortable with the information provided tonight, and highlighted the statement by Standard & Poor's at the end of the PowerPoint presentation.

Mr. Benzinski replied that ratings are complex and one thing always affects the other.

Mayor Pro Tem Henderson asked if we draw the fund balance from 50% down to 30%, and we pick the top five projects to work on but not solve, would that be viewed less by agencies? Mr. Bendzinski stated that would be viewed as a band-aid. It would be better to focus on completely fixing fewer projects.

Mayor Slater clarified that if the City decided to eliminate the library millage and use fund balance to pay for the Library, that action would hurt the bond ratings. Mr. Bendzinski agreed.

Council Member Fleming highlighted slide five of the presentation and asked for a copy of the S&P report.

Mr. Bendzinski commended City Council and the Administration for all the hard work involved in maintaining the City's AAA bond rating.

R. CLOSED SESSION:

R-1 No Closed Session

S. ADJOURNMENT:

The Meeting **ADJOURNED** at 9:33 PM.

Mayor Dane Slater

M. Aileen Bittner, CMC
City Clerk