

THE TROY STORY

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



Welcome Reps

Presentation

Troy Story

Tabletop Exercise

Building Your Scenario for
Reducing Unassigned Fund Balance

Takeaway for Management

Direction on Financial Priorities

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)

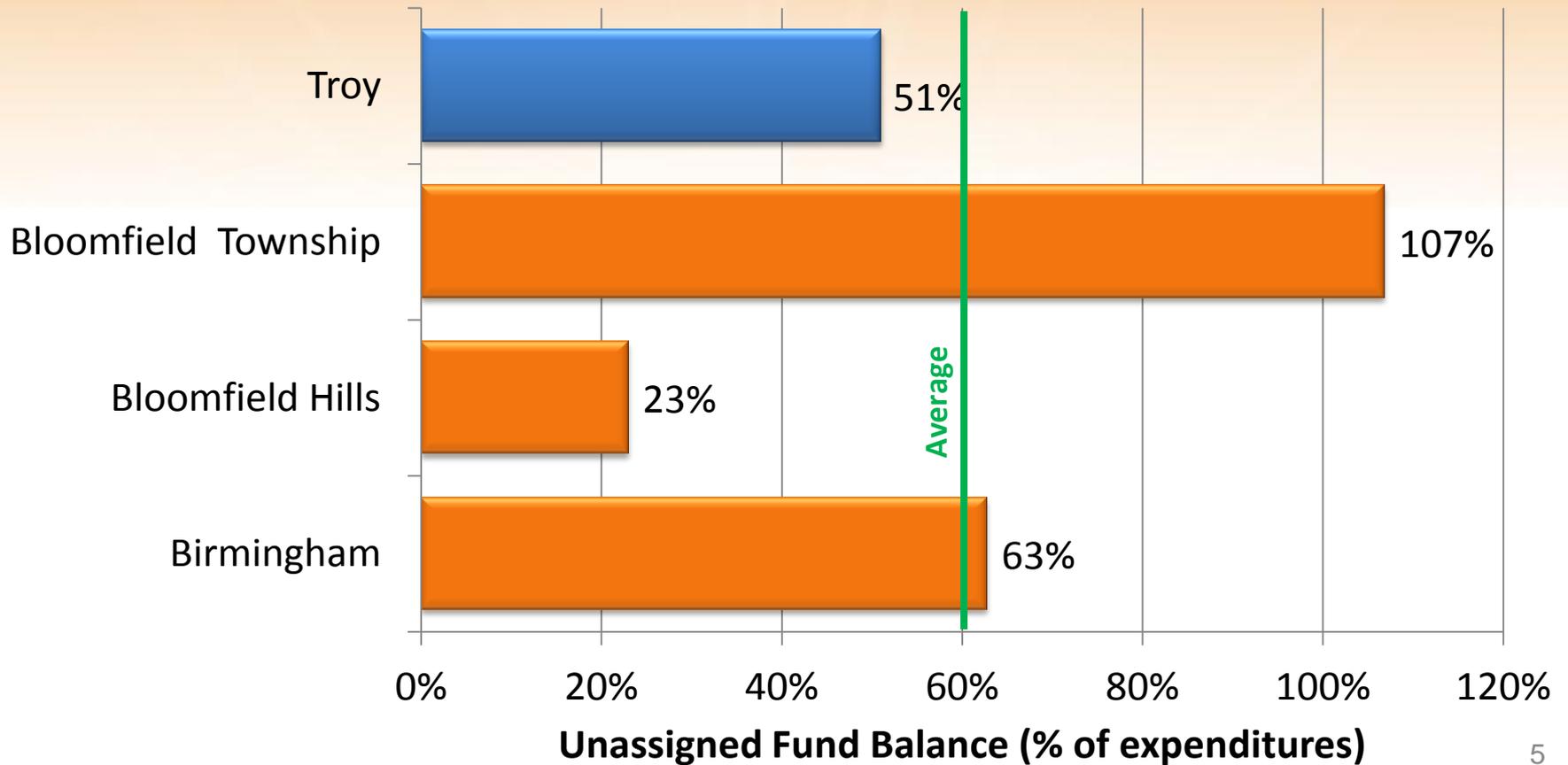
Police Transition from Specialists to Generalists
Public Works Increase Maintenance Division Collaboration
Fire Efficiency Increase through Departmental Restructure

Where
We Are

How Troy Compares

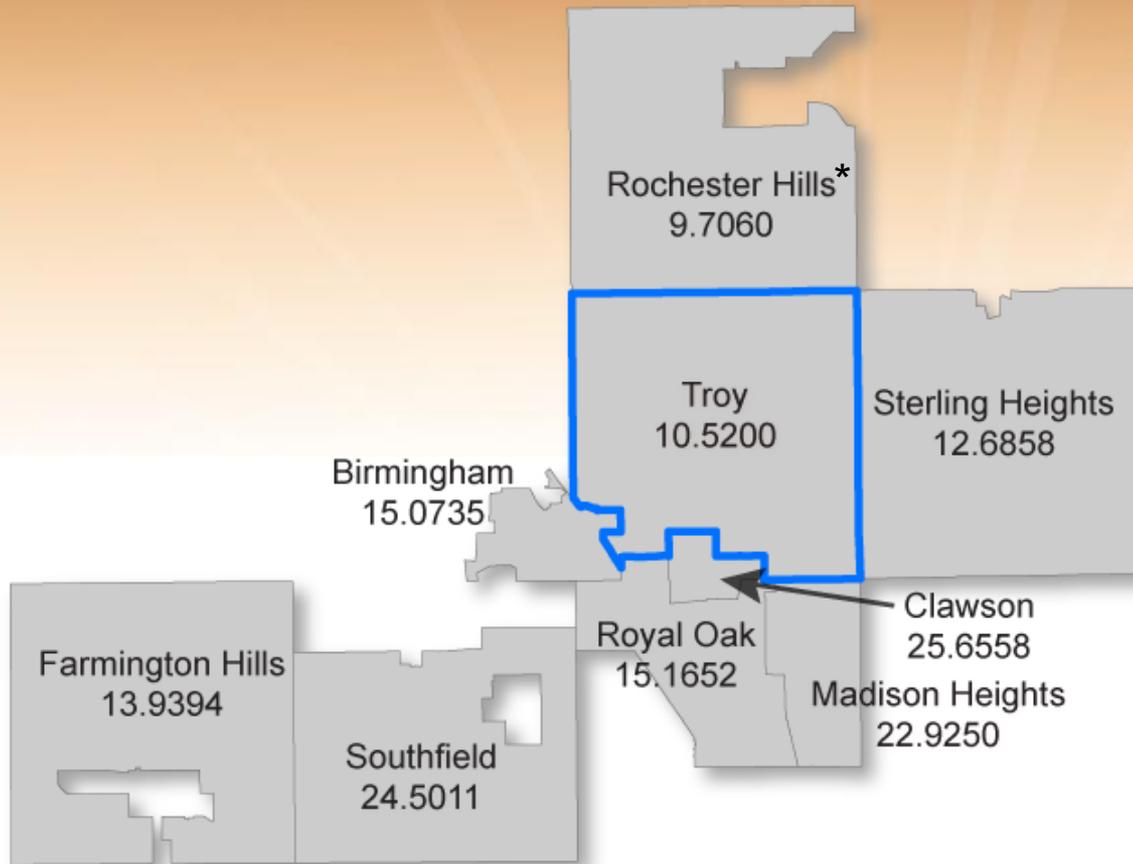
To All AAA Rated Michigan Communities

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



Where
We Are

City Millage Rate Comparison



Troy's Millage Composition

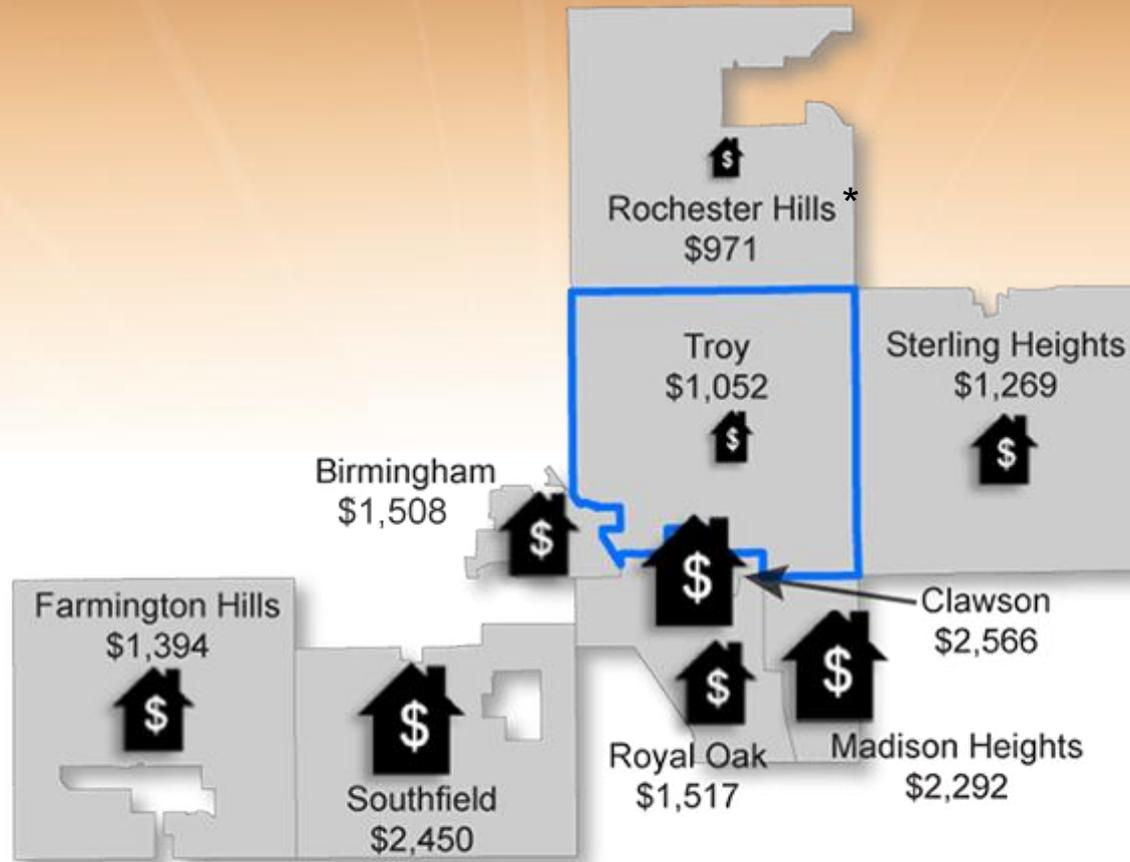
Operating:	6.5000
Capital:	1.5300
Library:	0.7000
Refuse:	1.0900
Debt:	0.7000
Total:	10.5200

Millage Rate

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

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. 7

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

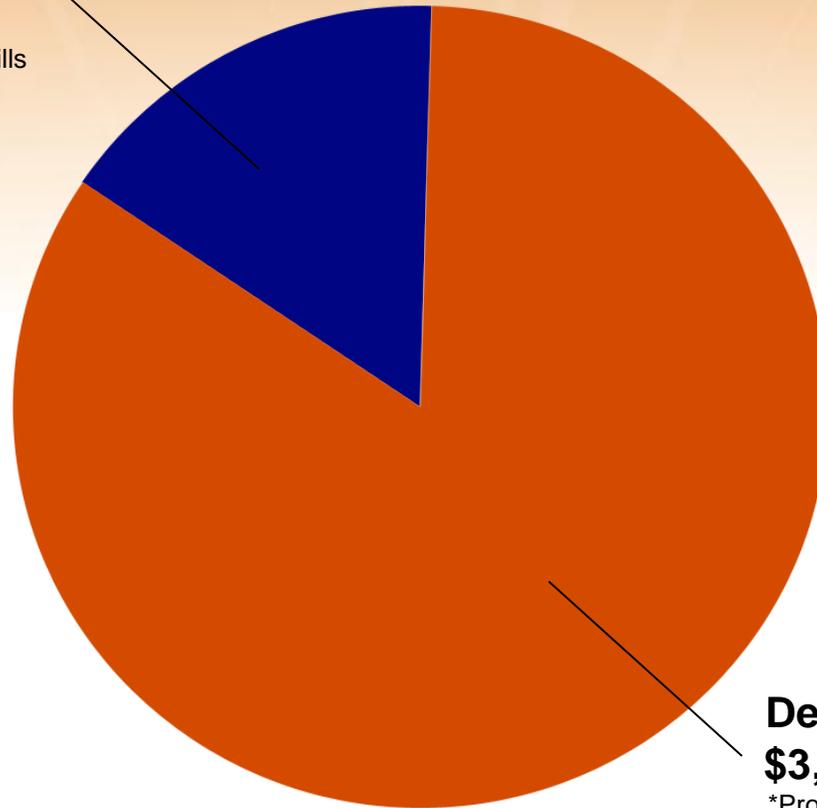
Where
We Are

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

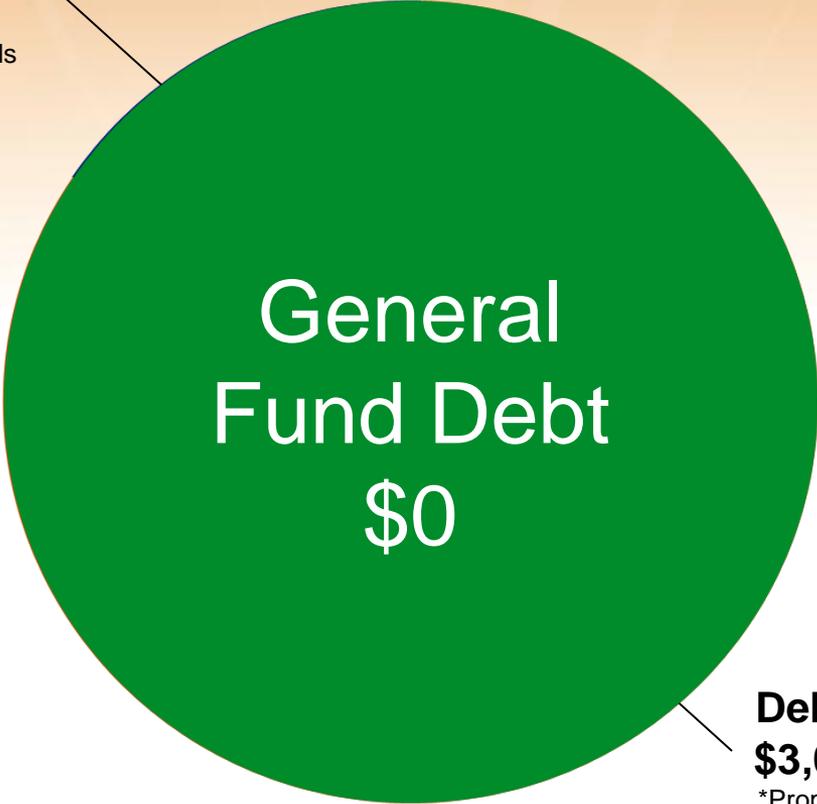
Where
We Are

Annual Debt Service

Capital Projects

\$539,836

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Does not expire
Operating + Capital = 8.03 mills



General
Fund Debt
\$0

Debt Fund
\$3,003,543

*Proposals A,B,C
0.7 mills
Expires 2021

Where
We Are

How did we get here?



Where
We Are

History of Unassigned Fund Balance

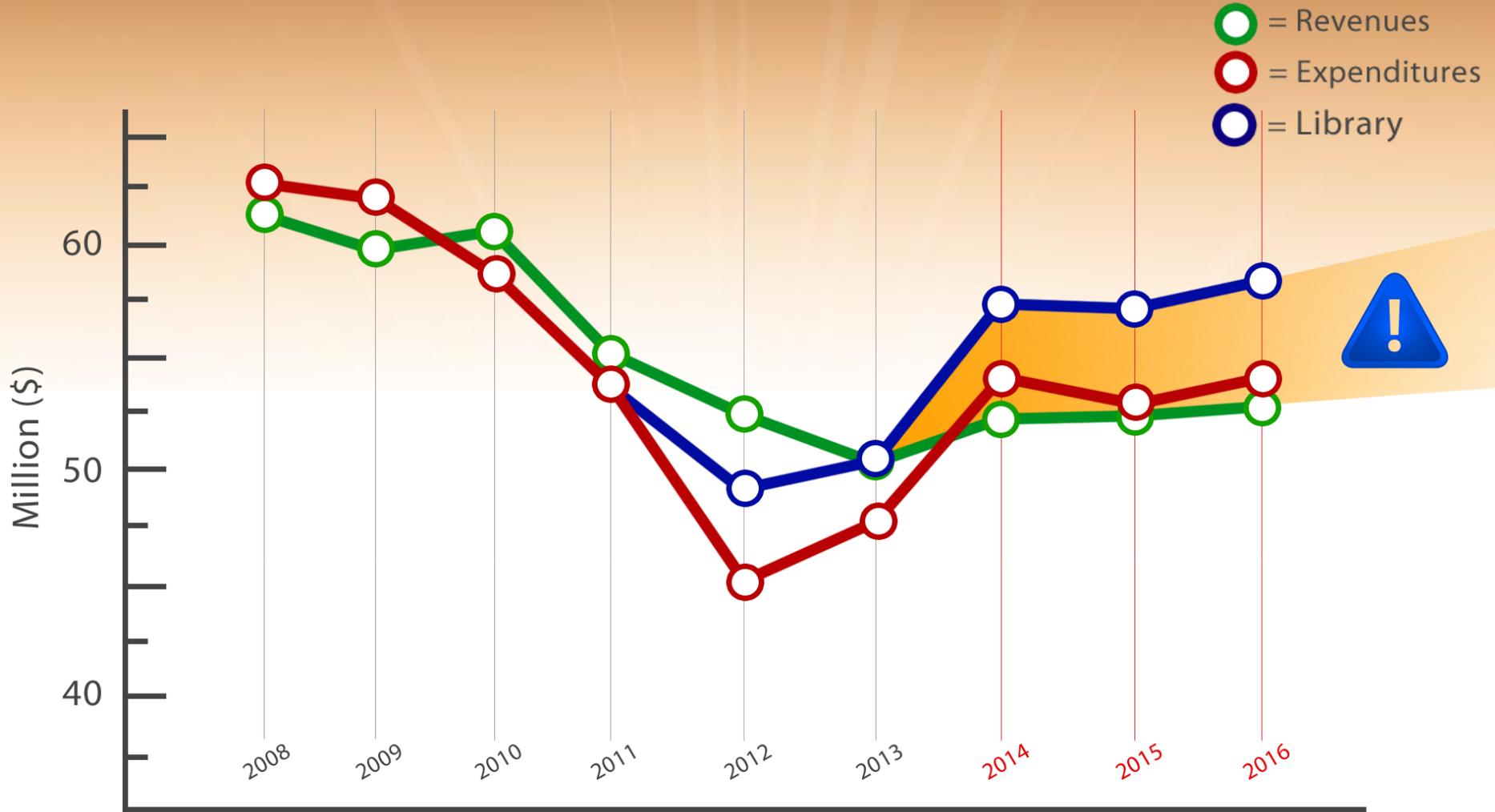
Year	2008	2009	2010	2011	2012	2013
Revenues	\$61.422	\$59.935	\$61.013	\$55.612	\$52.208	\$50.618
Expenditures	62.655	62.253	58.585	53.695	45.762	47.769
Surplus/(Shortfall)	(1.233)	(2.318)	2.427	1.916	6.446	2.849
Change in Designated FB	(.927)	4.131	(2.224)	(0.278)	4.534	(1.243)
Unassigned Fund Balance	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%



What the
City did

Where
We Are

Impact Without Library Millage



Where
We Are

History of Unassigned Fund Balance

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What the
City did

**Tabletop
Exercise**

Sample Uses of Fund Balance

Item	Cost/Year
Reconstruct High Traffic Roads	\$5,100,000 (one-time cost)
Increase Strategic Road Plowing	\$120,000 (per snow event)
Rebuild Fire Station 4	\$3,500,000 (one-time cost)
Reinstate Traffic Safety Unit (1 Sergeant, 3 Officers)	\$500,000
Employee Retirement System (100% Funded to Date)	\$5,477,000
Balance Retiree Health Care (100% Funded to Date)	\$40,825,000
Balance Volunteer Fire Incentive Program (100% Funded to Date)	\$7,132,000
Make Up for Personal Property Tax Loss	\$180,000
Lower General Fund Taxes (Troy is currently at 6.5 mills)	1 mill = \$4,300,000
	.5 mill = \$2,150,000
	.25 mill = \$1,075,000

**Tabletop
Exercise**

Sample Uses of Fund Balance

Item	Cost/Year
Library Tech Upgrades	\$250,000
Reinstate School Route Plowing	\$63,000
Jam Fest	\$15,000
Nature Center	\$25,000
Historic Village	\$25,000
Remove Library Millage (.7 mills)	\$3,010,000
Reinstate Fire Technician	\$104,000
Reinstate Risk Manager	\$104,000
Increase Recreation Programming	\$50,000
Trail Improvements	\$750,000
Troy Daze (City Runs the Event)	\$50,000
Charitable Giving (TYA, TCC, B&GCT)	\$100,000
Dog Park	\$50,000

TROY STORY | Focus Group Scenario

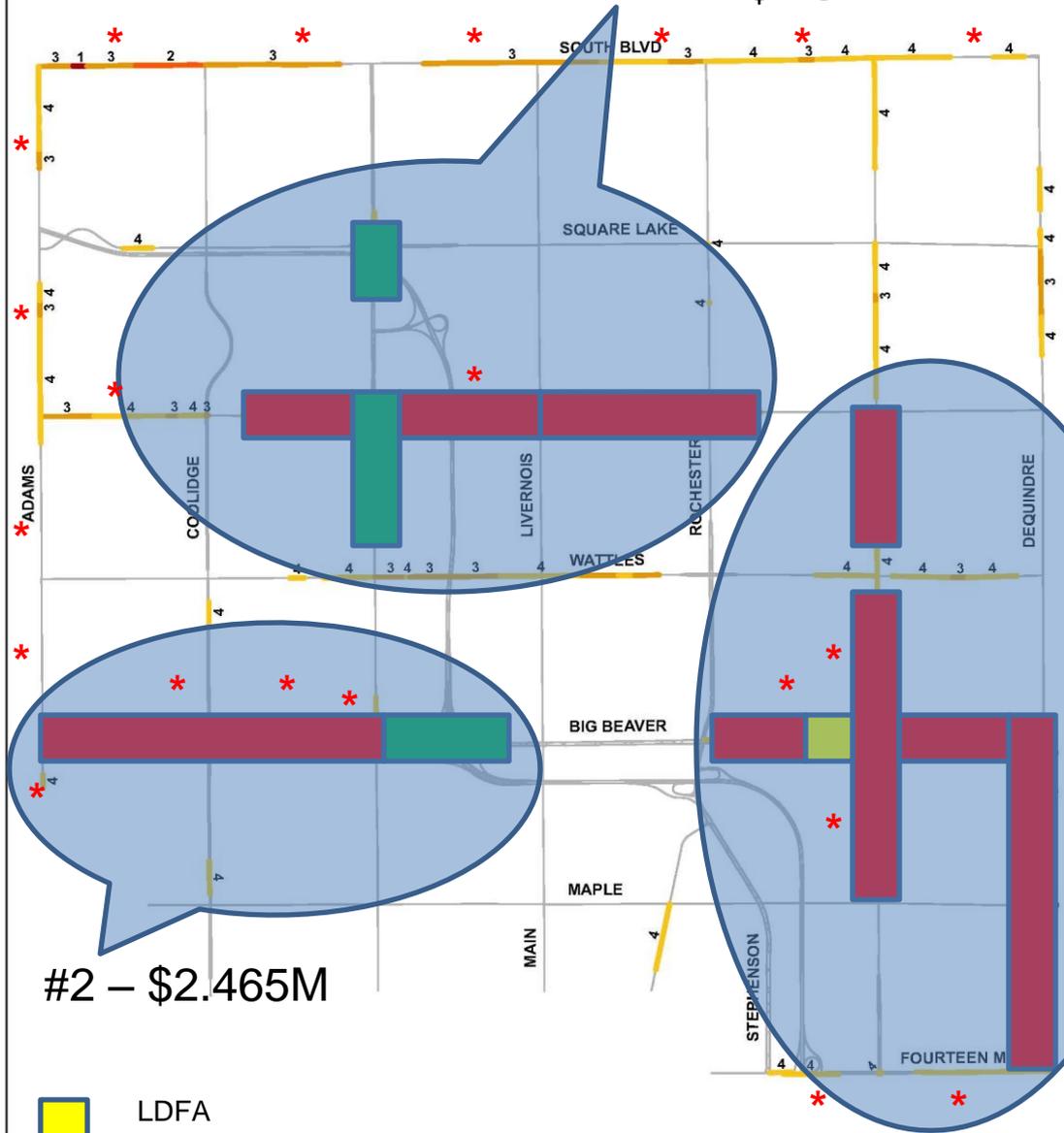
Fiscal Year	2015	2016	2017
Budgeted Revenues	\$ 52,118,000	\$ 52,600,000	\$ 53,505,000
Budgeted Expenditures	(52,859,000)	(53,859,000)	(55,372,000)
Beginning Unassigned Fund Balance	24,163,000	23,422,000	22,163,000

Scenario

Change in
Unassigned
Fund Balance

Total Fund Balance Use	-	-	-
Ending Unassigned Fund Balance	23,422,000	22,163,000	20,296,000
Ending Unassigned % of Expenditures	44.31%	41.15%	36.65%

#1 - \$2.8M



#2 - \$2.465M

#3 - \$2.453M

- LDFA
- Risk Reserve/NHPP/Tri-Party
- General Fund

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

**How would you responsibly utilize
\$24 million in fund balance?**