



## CITY COUNCIL ACTION REPORT

December 13, 2006

TO: The Honorable Mayor and City Council  
FROM: Phillip L. Nelson, City Manager  
SUBJECT: Troy Daze Festival

### Background:

- At the December 3<sup>rd</sup> meeting, several members of the Troy Daze Advisory Board submitted their resignations.
- Mayor Louise Schilling suggested that a solution to challenges addressed by the former members of the Troy Daze Advisory Board could be worked out through discussions between the parties.
- Former members of the Troy Daze Board contacted Council Members Wade Fleming and Dave Lambert to meet and discuss the future of the Festival. At that meeting it was suggested that the members meet with Mayor Schilling for continued discussions.
- Former members of the Troy Daze Board stated that they can now obtain affordable insurance coverage, and suggested that the operation of the Festival be returned to a newly formed private organization.
- As history, in 1988 the Troy Daze Committee (a private organization) asked the Troy City Council to take over operations of the Troy Daze Festival, as the committee could not get affordable insurance coverage to continue the Festival.
- Since 1988, the Festival has been conducted under the auspices of the City of Troy, meaning that Troy assumed all fiduciary and liability obligations associated with the Festival.

### Financial Considerations:

- Return of the operation to a private committee would save the City of Troy an estimated \$197,000 in budgeted expenditures.

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- Conversely, the 2006-2007 budget indicates the Troy Daze Festival would generate approximately \$180,000 in operating revenues. Consequently, the City of Troy could eliminate the possibility of operating losses from the budget.
- By not having to be in on the planning, marketing, public relations and other ancillary functions that are performed by staff, the City of Troy could save hundreds of personnel hours and resultant monetary costs.

## Legal Considerations:

- If the Festival is to be held on City-owned property, adequate liability insurance coverage as determined by the City of Troy has to be obtained by the sponsoring agency, naming the City of Troy as an additional insured party for the Festival.
- The Troy City Council will set the hours of operation and other measures as indicated in Chapter 26.17 et. seq. of the Municipal Code to better ensure safety and security for the surrounding houses and businesses to the Festival site.

## Policy Considerations:

- Returning the Troy Daze Festival to private sponsorship could give more of a volunteer ownership feel to the Festival.
- Private ownership does away with City of Troy mandates such as bidding for contracts; financial oversight by bonded agents; and, general authority over security operations.
- Due to the fact that the size and scope of the Festival is significantly larger than any other use of any park facilities, special processes will have to be implemented to provide for use of park facilities and equipment.

## Options:

- The Council can return ownership of the Festival to a private sector group.
- The Council can maintain sponsorship of the Festival under the auspices of the City of Troy.



# REHMANN ROBSON

*Certified Public Accountants*

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

January 17, 2007

To the Honorable Mayor and City Council  
City of Troy, Michigan

We have performed the procedures enumerated below, which were agreed to by the City of Troy management, solely to assist you with respect to the accounting records of the "Troy Daze" fund for the period of July 1, 2006 through December 31, 2006. The City of Troy management is responsible for the accounting records. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the City of Troy management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose of which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We were engaged to select a sample of 20 deposits and trace them to the daily revenue sheets taking into account completeness and timing of the deposit.

*Results and Findings:*

We compared the deposit log provided by the Troy Daze Committee Treasurer and compared it to the general ledger maintained by the City of Troy noting a population of 11 deposits. We tested all transactions noting one exception in the amount of \$477, which appeared in the City's general ledger but not on the deposit log of the Troy Daze Committee Treasurer. Further inquiry indicated that the deposit was for registration fees for the "Adaptive Troy Daze" event and the deposit was made directly through the City.

We compared and traced the deposit slips provided by the Troy Daze Committee Treasurer to the City of Troy receipting system noting that all receipts were accounted for and deposited on a timely basis with only one exception as noted in the paragraph above.

2. We selected a sample of 40 payroll transactions and traced them to the appropriate payroll register and authorized time sheets.

Results and Findings:

We selected a sample of 40 payroll transactions comprising 16 police and 24 public works employee transactions. We traced each transaction to the appropriate time log/sheet noting proper authorization for time of services rendered with no exceptions.

We traced each employee rate to the payroll register and recalculated the amount of regular and overtime charged to the Troy Daze fund noting no exceptions.

3. We selected a sample of 40 disbursement transactions and traced to the appropriate invoice and procurement procedures taking into account the appropriateness of the expenditure.

Results and Findings:

We selected 40 disbursement transactions noting proper approval of the invoice/check request as appropriate. We considered the nature of the expenditure noting that they appeared appropriate in relation to the Troy Daze event. No exceptions were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City of Troy Council and management and is not intended to be and should not be used by anyone other than those specified parties.

*Rehmann Johnson*

CITY OF TROY  
Statement of Expenditures  
Sorted by Business Unit Number  
For the Period Ending December 31, 2006

Description	Last Year Actual	Last Year YTD	Budget	Current Month	Y-T-D Actual	Encumbered Amounts	Actual % To Budget	Budget \$ Remaining
00103 COMMUNITY FAIR FUND								
784 COMMUNITY FAIR FUND								
7920 Public Utilities	0	0	0	.00	.00	.00	.0	.00
7921 Electricity	0	0	0	.00	.00	.00	.0	.00
7928 Telephone	0	0	0	.00	.00	.00	.0	.00
7940 Rentals	0	0	0	.00	.00	.00	.0	.00
7942 Contrctl Equip Rental	40,181	40,181	46,250	.00	39,961.57	8,357.57	86.4	2,069.14-
7943 Equip/Veh Rental-MP	5,082	5,082	5,300	.00	6,330.54	.00	119.4	1,030.54-
7950 Insurance-Other	400	400	400	.00	400.00	.00	100.0	.00
7960 Education & Training	1,795	1,795	2,500	.00	.00	.00	.0	2,500.00
7962 Other	1,308	1,308	1,300	815.49	815.49	.00	62.7	484.51
784 COMMUNITY FAIR FUND	143,050	134,272	197,110	32,329.13	168,790.61	8,357.57	85.6	19,961.82
00103 COMMUNITY FAIR FUND	143,050	134,272	197,110	32,329.13	168,790.61	8,357.57	85.6	19,961.82

CITY OF TROY  
Statement of Expenditures  
Sorted by Business Unit Number  
For the Period Ending December 31, 2006

Description	Last Year Actual	Last Year YTD	Budget	Current Month	Y-T-D Actual	Encumbered Amounts	Actual % To Budget	Budget \$ Remaining
00103 COMMUNITY FAIR FUND								
784 COMMUNITY FAIR FUND								
7000 EXPENSES	0	0	0	.00	.00	.00	.0	.00
7701 PERSONAL SERVICE CONTROL	0	0	0	.00	.00	.00	.0	.00
7702 Personal Service	27,386	27,386	56,600	24,041.33	50,673.50	.00	89.5	5,926.50
7715 FICA	2,120	2,120	4,330	.00	2,057.50	.00	47.5	2,272.50
7717 Workers Comp & Unemp	614	614	1,250	.00	365.62	.00	29.3	884.38
7718 Sick Pay Allowance	413	113	3,110	100.00	142.95	.00	4.6	2,967.05
7719 Hosp & Life Ins	3,489	3,489	3,740	.00	4,015.16	.00	107.4	275.16-
7720 Vacation	1,410	1,410	2,900	.00	1,389.93	.00	47.9	1,510.07
7722 Retirement	4,034	4,034	8,000	.00	3,970.80	.00	49.6	4,029.20
7726 SUPPLIES	0	0	0	.00	.00	.00	.0	.00
7728 Office Supplies	0	0	100	.00	133.80	.00	133.8	33.80-
7730 Postage	150	107	200	.00	37.10	.00	18.6	162.90
7740 Operating Supplies	0	0	0	.00	.00	.00	.0	.00
7740.010 Operating Supplies	13,390	12,405	13,800	544.90	14,995.78	.00	108.7	1,195.78-
7800 OTHER SERVICES/CHARGES	0	0	0	.00	.00	.00	.0	.00
7802 Contractual Services	0	0	0	.00	.00	.00	.0	.00
7802.070 Contractual Serv	13,400	6,000	13,500	2,000.00	14,870.00	.00	110.2	1,370.00-
7880 Community Promotion	0	0	0	.00	.00	.00	.0	.00
7889 Community Fair	0	0	0	.00	.00	.00	.0	.00
7889.010 Fireworks	5,000	5,000	5,000	.00	5,000.00	.00	100.0	.00
7889.020 Booths	0	0	0	.00	.00	.00	.0	.00
7889.025 Classic Cars	0	0	0	.00	.00	.00	.0	.00
7889.030 Contest/Tournament Fee	900	900	1,000	.00	875.00	.00	87.5	125.00
7889.040 Craft Show	0	0	0	.00	.00	.00	.0	.00
7889.050 Cutest Toddler	181	181	250	.00	.00	.00	.0	250.00
7889.060 Entertainment Fees	6,980	6,980	8,000	.00	7,955.00	.00	99.4	45.00
7889.070 Junior Miss Troy	0	0	0	.00	.00	.00	.0	.00
7889.075 Junior Miss Troy Affil	0	0	0	.00	.00	.00	.0	.00
7889.080 Miss Troy-Affiliation	0	0	0	.00	.00	.00	.0	.00
7889.085 Miss Troy Scholarship	0	0	500	.00	.00	.00	.0	500.00
7889.090 Miss Troy-General	2,437	2,437	1,400	655.11	1,576.88	.00	112.6	176.88-
7889.100 Opening Ceremony	300	300	300	.00	300.00	.00	100.0	.00
7889.110 Parade Fees	0	0	0	.00	.00	.00	.0	.00
7889.120 Parking Fees	3,704	3,704	5,000	3,981.40	3,981.40	.00	79.6	1,018.60
7889.130 Photo Contest	650	650	900	.00	900.00	.00	100.0	.00
7889.140 Publicity	150	150	850	.00	250.00	.00	29.4	600.00
7889.150 Student Art	200	200	200	175.00	175.00	.00	87.5	25.00
7889.160 Talent Shows	1,295	1,295	1,000	.00	1,015.00	.00	101.5	15.00-
7889.170 Sr Sensation/Spec Chil	363	363	1,100	15.90	1,177.59	.00	107.1	77.59-
7889.180 Volleyball Fun Matches	0	0	0	.00	.00	.00	.0	.00
7889.190 Youth Day	400	400	600	.00	.00	.00	.0	600.00
7889.200 Young Peoples Palace	1,035	1,035	2,800	.00	1,000.00	.00	35.7	1,800.00
7890 Ethnic Festival	0	0	0	.00	.00	.00	.0	.00
7890.010 Operating Supplies	358	358	400	.00	.00	.00	.0	400.00
7890.020 Contractual Serv	0	0	0	.00	.00	.00	.0	.00
7890.030 Electrical	0	0	0	.00	.00	.00	.0	.00
7890.040 Programs	475	475	530	.00	525.00	.00	99.1	5.00
7890.060 Entertainment	3,450	3,400	4,000	.00	3,900.00	.00	97.5	100.00

CITY OF TROY  
Statement of Revenues

For the Period Ending December 31, 2006

Description	Last Year Actual	Last Year Month	Last Year YTD	Budget	Current Month	Y-T-D Actual	Actual % To Budget
00103 COMMUNITY FAIR FUND							
1030 COMMUNITY FAIR FUND RE							
4653.AMUSE Amusement Company	73,840	0	73,840	55,000	.00	80,551.60	146.5
4653.AUTO Auto Show	1,370	0	1,370	1,500	.00	1,200.00	80.0
4653.BOOKLET Festival Booklet	0	0	0	0	.00	.00	.0
4653.BOOTH Booth Revenue	21,294	0	21,294	24,000	.00	24,630.00	102.6
4653.CONTEST Contest & Tournament	0	0	0	0	.00	.00	.0
4653.CORP Corporate Sponsorshi	31,650	0	11,000	50,000	.00	14,800.00	29.6
4653.CRAFT Craft Show	0	0	0	0	.00	.00	.0
4653.JMTPAGNT Junior Miss Troy Pag	0	0	0	0	.00	650.00	.0
4653.MISC Miscellaneous Activi	798	0	798	1,500	.00	804.37	53.6
4653.MTPAGNT Miss Troy Pageant	2,032	0	2,032	1,900	.00	175.00	9.2
4653.MTSCHOL Miss Troy Scholarshi	0	0	0	0	.00	.00	.0
4653.PANCAKE Pancake Breakfast	86	0	86	0	.00	183.52	.0
4653.PARKING Parking	36,931	0	37,043	35,000	.00	41,014.00	117.2
4653.SBALL Softball Tournament	0	0	0	0	.00	.00	.0
4653.TODDLER Cutest Toddler	948	0	948	1,000	.00	2,757.04	275.7
4653.VBALL Volleyball Tournamen	0	0	0	0	.00	.00	.0
4653.SKRUN 5k Run	0	0	0	0	.00	.00	.0
4653.50/50 50/50 Drawing	100	0	100	100	.00	100.00	100.0
4654.BOOTH Booth Revenue	3,560	0	3,560	0	.00	.00	.0
4654.SPONSORS Sponsors/Donations	0	0	0	0	.00	.00	.0
4669.020 Investment Income	0	0	0	0	.00	.00	.0
8699.101 Transfer From Genera	10,000	0	0	10,000	.00	10,000.00	100.0
1030 COMMUNITY FAIR FUND RE	182,609	0	152,071	180,000	.00	176,865.53	98.3
00103 COMMUNITY FAIR FUND	182,609	0	152,071	180,000	.00	176,865.53	98.3