

**A. CALL TO ORDER:**

A Special Meeting of the Troy City Council was held on Tuesday, April 23, 2014, at City Hall, 500 W. Big Beaver Rd. Mayor Slater called the meeting to order at 7:30 PM.

**B. ROLL CALL:**

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

**C. DISCUSSION ITEMS:**

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**C-1 Proposed Fiscal Year 2014/2015 Annual Budget and Three-Year Budget**

(Budget is available for review at the City Clerk's Office, Troy Public Library.)

Mayor Slater opened the meeting and turned the discussion over to City Manager Kischnick.

Mr. Kischnick provided an overview of the agenda for tonight's meeting. He then discussed a summary of the May 21<sup>st</sup> Budget Study Session. Mr. Kischnick highlighted the Firefighter Incentive Plan, the Library and Library Millage, the Historic Village, Nature Center, Troy Youth Assistance and Troy Community Coalition items discussed on Monday, May 21<sup>st</sup>.

Mr. Kischnick turned the discussion over to Mr. Tom Darling, Director of Finance and Administrative Services. Mr. Darling discussed presentation slides regarding capital projects. Mr. Bill Houtari, Deputy City Engineer, discussed presentation slides covering Capital Expenditure Highlights – Major Roads and Local Streets. Mr. Kurt Bovensiep, Parks, Streets and Drains Superintendent, discussed presentation slides covering Capital Expenditure Highlights – Park Projects. Council Member Campbell asked why a dog park would cost almost \$500,000. Mr. Bovensiep answered that since there is not a suitable location in an existing park, an area will need to be redeveloped in order to create the dog park. Council Member Hodorek asked if an area has been identified. Mr. Bovensiep answered not as of today. Council Member Tietz asked if there is a plan of how to generate outside funding. Mr. Bovensiep answered that there are not funds available for matching State grants but outside funds would be from public-private partnerships. Council Member Fleming asked if City funds would be spent only when matching funds are found. Mr. Bovensiep answered that City funds would only be spent once matches are found. Mr. Kischnick added only if Council authorized funding. Council Member Hodorek asked if we are missing an opportunity by waiting for matching funds. Mr. Bovensiep answered that we are not missing opportunities, and it will be possible to have connectivity to some of the existing trails with the proposed plan. Council Member Tietz asked what the millage rate is for the Capital Project Fund and if it is citizen approved. Mr. Darling answered that the millage rate is 1.53 mills and that it is part of the capped 8.1 mills between

the General Fund and the Capital Project Fund. Mr. Kischnick referenced page 25 of the Budget. Mayor Slater asked Mr. Kischnick to talk a little about Capital Fund Balance. Mr. Kischnick answered that the Capital Fund and General Fund are separate funds, with separate fund balances. He referred to page 43, All Fund Summary, and then to page 46, Capital Project Fund, for information about funds and fund balances. Council Member Hodorek asked if at some point Council decided to not explore the connectivity of trail projects, and if that is something Council should explore. Mayor Slater answered that at one time, Council was moving toward setting aside money for trails, prior to 2008, with a goal of \$250,000, but, once the recession hit, that money was used for more urgent issues. He continued that now it seems we can start over again with funding for trails. Mr. Miller added that there was a committee studying the idea and plan for trails, and that the study could be brought back to Council. Mr. Kischnick added that trails are a significant conversation piece and is back on the City's radar, but roads are our number one priority right now.

Mr. Kischnick began the discussing regarding Issues, and turned the discussion over to Mrs. Jeanette Menig, Human Resources Director. Mrs. Menig discussed presentation slides regarding staffing and new positions.

Police Chief Gary Mayer, discussed the presentation slides regarding hiring in the Police Department. He turned the discussion to Police Lieutenant Tom Gordon who discussed staffing levels and hiring in the Police Department. Mr. Kischnick commented that last year, Council wanted to know what could be done to move along the hiring process, and the advancements that have occurred in the Human Resources processes have made a huge improvement to that end.

Mr. Kischnick introduced the topic of Health Insurance and turned the discussion back to Mrs. Menig, who began discussing presentation slides comparing health insurance plans. Council Member Fleming asked if there is a stop loss in Community Blue. Mrs. Menig answered there is a stop loss. Mr. Darling discussed presentation slides regarding active healthcare participants. Council Member Pennington asked if the "None" column means that some employees opt out of health coverage? Mr. Darling answered yes, some employees opt not to take City health insurance. Mr. Kischnick added that we are moving in the right direction. Mr. Darling continued by discussing healthcare budget vs. claims. Mr. Kischnick commented that the gap between conservative budgeted dollars and lower actual costs for healthcare is what contributes to General Fund Balance as well. Mrs. Menig continued by discussing health and wellness programs. Council Member Pennington asked if the free fitness classes for employees are at the Community Center. Mrs. Cindy Stewart, Community Affairs Director, answered that they are free and are at the Community Center for all City employees and retirees.

Ms. Cathy Russ discussed the presentation slides regarding the Troy Public Library, partnerships, strategic plan, technology, and marketing. Mr. Andrew Opalewski, Marketing Coordinator, discussed the presentation slides regarding the Library brand and marketing. Ms. Russ continued by discussing the impact of new and proposed staff positions in the Library as well as a financial review summary. Council Member Fleming asked if the budget for hardcopy books has been reduced in favor of e-books. Ms. Russ answered that yes, the Library is spending less money on hardcopy books and more money on e-books. She clarified that one copy of an e-book is the same as one copy of a hardcopy book, so the Library needs to purchase more copies and licenses for e-books. Mayor Pro Tem Henderson asked if fines ever offset costs for new books. Ms. Russ answered that fines are a significant part of the Library

revenue, but they are variable. Council Member Hodorek applauded the idea of the Tween Librarian, and feels it is a great way to connect with the school district and that age group.

Mr. Kischnick introduced the topic of Marketing Initiatives. Mr. Opalewski discussed the work he has been doing with the Library and City Management regarding developing a unique brand, forming connections with residents and businesses, marketing the Transit Center, the Troy Family Aquatic Center and the Troy MJR Theater. Mrs. Stewart discussed presentation slides regarding communicating, marketing and branding the City of Troy. She also discussed the upcoming 60<sup>th</sup> Anniversary celebration in 2015. Mayor Slater asked if there is a timetable on branding and signage. Mrs. Stewart answered that in the next three months, we will start seeing results of the work on branding.

The meeting **RECESSED** at 8:44 PM.

The meeting **RECONVENED** at 8:55 PM.

Mr. Kischnick introduced Mr. Don Tillar, General Manager of Troy Golf Courses, from Billy Casper Golf. Mr. Tillar discussed the relationship between the City of Troy and Billy Casper. Mr. Tillar discussed the presentation slides regarding the Billy Casper contract with the City of Troy for management of the City golf courses, and the impact of winter of 2013/2014. Mayor Slater asked if the capital issues have been budgeted this year. Mr. Tillar answered that those issues are being addressed directly out of the golf course revenues. Mayor Slater asked if replacement of the Sylvan Glen irrigation system needs to be planned. Mr. Tillar answered that in the near future, the irrigation system replacement will need to be installed. Mr. Mark Miller, Director of Economic and Community Development added that City Council will have the opportunity to schedule the replacement in the Capital Improvement Plan and prioritize all the capital needs. Mayor Pro Tem Henderson asked if the solutions proposed for the winterkill at Sylvan Glen will resolve those issues. Mr. Tillar answered that repair has already begun at Sylvan Glen and will continue as long as necessary.

Mr. Tim Richnak, Director of Public Works, and Rick Shepler, Water and Sewer Superintendent, discussed presentation slides regarding Detroit Water and Sewerage Update. Council Member Fleming thanked Mr. Richnak for the presentation on this topic. He commented that anything the City and residents can do to advocate for regional authority control of the water system will be very helpful. He continued by asking if the City is looking into a water storage tank. Mr. Richnak answered yes, but there are many restrictions and regulations that prevent a tank from being practical in Troy. He added that he will bring information to City Council as it develops. Council Member Hodorek asked if Mr. Richnak needs anything more formal than consensus of Council to bring information back. Mr. Richnak answered that there is nothing at this time, but a resolution in the future will help.

Mr. Kischnick referred to page 43 as the start of the wrap-up of the two Budget Study Sessions. He said Council should be pleased with the condition of the budget and the City overall. Mayor Slater said page 3 through the executive summary explains almost everything about the Budget.

Mayor Slater pointed out that the Budget Public Hearing is May 12, 2014. He encouraged everyone to send Mr. Kischnick questions and comments prior to that hearing.

Council Member Fleming commented that he is concerned that as of 2018, the fund balance will be below the policy percentage. He said that it is important to note that the decrease in fund balance is due to money being put into important capital projects. He asked if Mr. Kischnick is concerned about the decreasing fund balance. Mr. Kischnick answered that the decrease is due to one-time expenditures in capital, specifically roads, that are critical. He said that the Budget is in balance, the City is financially on stable ground, and budgeting and spending will be in accordance with Fund Balance Policy. Mayor Slater said he looks forward to seeing the Capital Plan and what is in the future for capital projects. Mr. Kischnick clarified that he was talking about the General Fund Balance.

Council Member Tietz asked about the budgeted \$1 million Firefighter Incentive Plan item on the slide and what is the \$1.2 million number referenced. Mr. Kischnick explained the actuary was \$1,078,000 based on \$642 per year. Mr. Kischnick said that Management has not asked for that increase, but it is what has been discussed in negotiations with the volunteers. Mayor Slater is in favor of providing a good incentive to the volunteer firefighters. Council Member Tietz said he is also in favor of the plan.

**D. PUBLIC COMMENT: No Public Comment was offered.**

**E. ADJOURNMENT:**

The Meeting **ADJOURNED** at 9:56 PM.

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Mayor Dane Slater

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M. Aileen Bittner, CMC  
City Clerk