A. CALL TO ORDER:

A Regular Meeting of the Troy City Council was held on Monday, April 29, 2015, at City Hall, 500 W. Big Beaver Rd. Mayor Slater called the meeting to order at 6:00 PM.

B. ROLL CALL:

Mayor Dane Slater
Jim Campbell
Steve Gottlieb
Dave Henderson
Ellen Hodorek
Ed Pennington
Doug Tietz

C. DISCUSSION ITEMS:

C-1 2015-16 Budget Review

Mayor Slater opened the meeting and announced that the Budget document is available at the City Clerk's Office, the Library and on the City website.

City Manager Brian Kischnick began the discussion by introducing the presentation titled "2015/2016 City of Troy Manager's Proposed Budget – Finding the Balance."

Mr. Kischnick introduced the issues that will be discussed, beginning with the Investment Policy. Tom Darling, Director of Financial Services, presented the Investment Policy, which was initially adopted on May 6, 1968, and most recently reviewed by City Council on December 15, 2014.

Mr. Kischnick distributed a document dated November 11, 2010, detailing program revenues from the Troy Community Center. Elaine Bo, Recreation Director, discussed presentation slides related to the issue of Recreation Rental Fees.

Kurt Bovensiep, Public Works Manager, discussed presentation slides related to DDA Maintenance and Median Flowerbeds outside of the DDA boundaries.

Council Member Hodorek thanked City Administration for the information regarding the cost for median flowerbeds. Council Member Gottlieb thanked City Administration for the information regarding student recreation fees at the Troy Community Center. Mayor Slater said he appreciates the information provided by City Administration regarding senior fees at the Troy Community Center. Mayor Slater commented that the programs at the Troy Community Center net about $300,000, which goes towards offsetting the $900,000 cost of all the administrative costs of operating the Community Center. This net revenue is an increase from the $100,000 shortfall reported in the document dated November 11, 2010 distributed at this meeting. Ms. Bo discussed Room 502 and the Reading Room at the Community Center that are offered free of charge to seniors and students. Council Member Tietz commented that if free programs and rooms are offered to seniors, should they also be offered to teens. Mayor Slater said the fees

policy should be revisited by City Council. Council Member Tietz asked if capital needs should be addressed at the Community Center before fees are reduced again. Mr. Kischnick answered that all the capital needs are funded by the Capital Fund. Mayor Slater commented that capital funding is different from the revenue that is being brought in by recreation fees. He said that since the revenue has increased significantly since 2010, we should be looking at giving back to the seniors and students. Council Member Hodorek said that the opportunity to rebalance at Community Center is nominal to our overall City Budget and it is time to revisit this topic. Council Member Gottlieb said that the revenue brought in by recreation fees will not be affected by offering recreation opportunities to students. He said that the Community Center is a good, supervised location for students to conduct school-related activities as well. Council Member Henderson said that during the economic downturn, City Council has never been given recreation fees to approve and that it should be a directive of the City Manager. Mr. Kischnick said that it makes sense to him to bring fee changes like this to City Council for approval even if it is not required. Council Member Tietz commented that it seems that groups are being overcharged if there is now a $500,000 surplus to recreation fees. He said this surplus should somehow be given back to the users of the Community Center. Mayor Slater said that the issue with increasing programs is the reduced staffing level at the Community Center. He said that he would like to focus on seniors right now, and revisit the topic of reducing fees in the future. Mayor Slater said that before City Council makes any other decisions about other recreation fees, he would like a full report from City Administration. Council Member Henderson said that he doesn't see the need for City Council to micromanage the fees and it should be left to the City Manager to make those decisions. Mayor Pro Tem Campbell said he would like to move forward with the reduced fees for seniors and revisit the other fees, including for students, in the future. Council Member Pennington said he would like to see a report from City Administration at a later date regarding recreation fees. Council Member Hodorek said she would like to address the senior fees at this time, and revisit other fees at a later date. Council Member Henderson said that the City Manager and the Recreation Department should be left to handle the fee structure without City Council intervention. Council Member Tietz said he would like a study session this fall to look at all the recreation fees, and not to act on changes to the fees with this Budget. Mr. Kischnick said that the memo regarding senior fees came from the FIT Team sessions, not just from one resident. Mr. Kischnick said the Budget includes the fees charged to seniors and students, along with the current reduced fees already offered for certain rooms seniors at the Community Center for seniors. Ms. Bo said that Recreation used to that if some offer more free programs, and she is nervous programs are offered for free to some groups, a lot of other groups will demand free rooms and programs as well. This will decrease the potential income for those programs and rooms at their full hourly rates. Mayor Slater clarified that he sees a consensus of City Council to offer more free programs to seniors and students without having a dramatic effect on the operation revenue of the Community Center. Mr. Kischnick suggested that the fees be reviewed outside of the Budget process, and City Administration could bring a report back to City Council with suggested reductions to the fees and increase in programs.

Mr. Kischnick discussed presentation slides related to Water and Sewer Funds. Mr. Darling continued the discussion, beginning with the Water Fund and then next the Sewer Fund. Bill Huotari, Deputy City Engineer, discussed presentation slides related to Water and Sewer Funds Capital Projects. Mr. Darling continued the discussion of Water and Sewer Funds. He said that the important point regarding water rates is that when water volume goes down, the water rates go up. Rick Shepler, Water and Sewer Superintendent, discussed slides regarding the number of factors have caused the increase to water rates imposed by Detroit Water &

Sewerage Department. Mr. Darling discussed the proposed 7% increase to rates for water and sewer in the 2015-2016 City Budget. Mr. Kischnick said that if we raise the rates too much, we overcharge residents; if we don't raise them enough, we will have a shortfall to the Water & Sewer Fund. He said that aiming for the target rate is why the proposed increase is 7%. Mr. Darling discussed the average increases that users will see with this proposed 7% increase. Mr. Shepler discussed the comparative rates, showing Troy as one of the lower three communities.

Mayor Slater commented that the projections for 2017 and 2018 are estimated at about 3% so that the increases are understated and can be adjusted based on what happens with rates in 2016. Tim Richnak, Director of Public Works, commented that the 4% rate increase prediction that DWSD talked about was revised by a publication released later. Mrs. Hodorek said that she agrees with the 7% increase because it will protect the Troy Water & Sewer Fund and the residents of Troy from future fluctuations in usage and rates.

Cathy Russ, Library Director, discussed slides related to Library Funding, Library Budget and One-Year Proposal. Mr. Kischnick discussed funding options, such as millage renewal, millage increase, or complete funding by the City General Fund. He also clarified the City Administration recommendation for funding. Aileen Dickson, City Clerk, discussed the potential dates for study sessions for City Council to discuss the Library millage proposal language.

Mr. Kischnick discussed slides related to Other Directives, including pursuing a ten-year tree-planting program versus a five-year tree-planting program. There was a consensus of City Council to pursue a five-year tree-planting program.

Council Member Henderson asked that City Administration continue to think of issues related to the Transit Center and keep informing City Council of updates.

D. PUBLIC COMMENT:

Nicholas Cherasaro – Troy Resident – Commented on water rates.

Jim Werpetinski – Troy Resident – Commented on senior programs at the Community Center.

There was a consensus of City Council to allow Mr. Kischnick to answer the question asked by Mr. Cherasaro. Mayor Slater repeated the question that can Detroit mandate that Troy impose a water ordinance for alternating days of watering and if Troy didn't comply, would that skew our rates.

E. ADJOURNMENT:

The Meeting **ADJOURNED** at 7:38 PM.

Mayor Dane Slater

M. Aileen Dickson, CMC
City Clerk