



TROY CITY COUNCIL

REGULAR MEETING

AGENDA

JANUARY 25, 2016
CONVENING AT 7:30 P.M.

Submitted By
The City Manager

NOTICE: Persons with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk at (248) 524-3316 or via e-mail at clerk@troymt.gov at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.



500 W. Big Beaver
Troy, MI 48084
248.524.3300
troymi.gov

The Honorable Mayor and City Council Members

City of Troy
500 West Big Beaver
Troy, MI 48084

Dear Mayor and City Council Members:

In this packet, you will find the agenda for the City Council meeting. To help facilitate an informed discussion, the packet provides you with agenda items and additional details. The packet also contains recommended courses of action for your consideration and seeks to aid you in adopting sound policy decisions for the City of Troy.

This comprehensive agenda has been put together through the collaborative efforts of management and staff members. We have made all attempts to obtain accurate supporting information. It is the result of many meetings and much deliberation, and I would like to thank the staff for their efforts.

If you need any further information, staff is always available to provide more information and answer questions that may arise. You can contact me at bkischnick@troymi.gov or 989.233.7335 with questions.

Respectfully,

A handwritten signature in black ink that reads "B. K. L. K.", representing Brian Kischnick.

Brian Kischnick,
City Manager

2015/2016

TOP 10 STRATEGIES

Adopted by City Council 3/9/2015

'Why'

We believe a strong community embraces diversity, promotes innovation, and encourages collaboration. We strive to lead by example within the region. We do this because we want everyone to choose Troy as their community for life. We believe in doing government the best.

1

Improve and invest in our assets, both people and infrastructure

Define our organizational culture

2

3

Consistently tell our story

Create a sense of place

4

5

Embrace a sustainable Library

Implement a Trails and Pathways Plan and increase walkability

6

7

Maintain strong Public Safety

Improve interaction online and in-person

8

9

Modernize wayfinding opportunities

Celebrate diversity

10



**CITY COUNCIL
AGENDA**
January 25, 2016 – 7:30 PM
Council Chambers
City Hall - 500 West Big Beaver
Troy, Michigan 48084
(248) 524-3317

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INVOCATION:

PLEDGE OF ALLEGIANCE:

A. CALL TO ORDER:

B. ROLL CALL:

- a) Mayor Dane Slater
Edna Abraham
Ethan Baker
Jim Campbell
Dave Henderson
Ellen Hodorek
Ed Pennington

- b) Excuse Absent Council Members:

Suggested Resolution

Resolution #2016-01-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **EXCUSES** the absence of _____ at the Special Joint City Council and Downtown Development Authority and the Regular City Council Meetings of January 25, 2016, due to _____.

Yes:

No:

C. CERTIFICATES OF RECOGNITION AND SPECIAL PRESENTATIONS:

C-1 MMC Recognition to City Clerk Aileen Dickson *(Presented by: Mayor Dane Slater)*

C-2 Coyote Update *(Presented by: Chief Gary Mayer)*

C-3 Residential Property Update – Jerry Amber

C-4 Water Quality Update *(Presented by: Tim Richnak, Public Works Director)*

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:

In accordance with the Rules of Procedure for the City Council, Article 17 – Members of the Public and Visitors:

Any person not a member of the City Council may address the Council with recognition of the Chair, after clearly stating the nature of his/her inquiry or comment. *City Council requests that if you do have a question or concern, to bring it to the attention of the appropriate department(s) whenever possible. If you feel that the matter has not been resolved satisfactorily, you are encouraged to bring it to the attention of the City Manager, and if still not resolved satisfactorily, to the Mayor and Council.*

- Petitioners shall be given a fifteen (15) minute presentation time that may be extended with the majority consent of City Council.
- Any member of the public, not a petitioner of an item, shall be allowed to speak for up to three (3) minutes to address any Public Hearing item.
- Any Troy resident or Troy business representative, not a petitioner of an item, shall be allowed to speak for up to three (3) minutes total to address Postponed, Regular Business, Consent Agenda or Study items or any other item on the Agenda as permitted under the Open Meetings Act during the *Public Comment for Items On the Agenda from Troy Residents and Businesses* portion of the Agenda.
- Any Troy resident or Troy business representative, not a petitioner of an item, shall be allowed to speak for up to three (3) minutes to address any topic not on the Agenda as permitted under the Open Meetings Act during the *Public Comment for Items Not on the Agenda from Troy Residents and Businesses* portion of the Agenda.
- Any member of the public who is not a Troy resident or Troy business representative shall be allowed to speak for up to three (3) minutes to address any topic on or not on the Agenda as permitted under the Open Meetings Act during the *Comments for Items On or Not On the Agenda from Members of the Public Outside of Troy (Not Residents of Troy and Not From Troy Businesses)* portion of the Agenda.
- All members of the public who wish to address the Council at a meeting shall be allowed to speak only if they have signed up to speak within thirty minutes before or within fifteen minutes after the meeting's start time. Signing up to speak requires each speaker provide his or her name and residency status (Troy resident, non-resident, or Troy business owner). If the speaker is addressing an Item (or Items) that appear on the pre-printed agenda, then the speaker shall also identify each such agenda item number(s) to be addressed.
- City Council may waive the requirements of this section by a majority vote of the City Council members.
- Agenda items that are related to topics where there is significant public input anticipated should initiate the scheduling of a Special meeting for that specific purpose.

The following has been approved by Troy City Council as a statement of the rules of decorum for City Council meetings. The Mayor will also provide a verbal notification of these rules prior to Public Comment:

The audience should be aware that all comments are to be directed to the Council rather than to City Administration or the audience. Anyone who wishes to address the Council is required to sign up to speak within thirty minutes before or within fifteen minutes of the start of the meeting. There are three Public Comment portions of the Agenda. For Items On the Agenda,

Troy Residents and Business Owners can sign up to address Postponed, Regular Business, Consent Agenda, or Study items or any other item on the Agenda. Troy Residents and Business Owners can sign up to address all other topics under Items Not on the Agenda. All Speakers who do not live in Troy or own a Troy business may sign up to speak during the Comments on Items On and Not On the Agenda from Members of the Public Outside of Troy. Also, there is a timer on the City Council table in front of the Mayor that turns yellow when there is one minute of speaker time remaining, and turns red when the speaker's time is up. In order to make the meeting more orderly and out of respect, please do not clap during the meeting, and please do not use expletives or make derogatory or disparaging comments about any one person or group. If you do so, then there may be immediate consequences, including having the microphone turned off, being asked to leave the meeting, and/or the deletion of speaker comments for any re-broadcast of the meeting. Speakers should also be careful to avoid saying anything that would subject them to civil liability, such as slander and defamation.

Please avoid these consequences and voluntarily assist us in maintaining the decorum befitting this great City.

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 – Charter Revision Committee, Election Commission, Liquor Advisory Commission, Personnel Board

a) Mayoral Appointments: None

b) City Council Appointments:

Suggested Resolution
Resolution #2016-01-
Moved by
Seconded by

RESOLVED, That Troy City Council hereby **APPOINTS** the following nominated person(s) to serve on the Boards and Committees as indicated:

Charter Revision Committee
Appointed by Council
7 Regular Members
3 Year Term

Term Expires: 4/30/2018

Mark Bartnik

Term currently held by: Maryann Bernardi

Election Commission

Appointed by Council
2 Regular Members and 1 Charter Member
1 Year Term

Term Expires: 1/31/2017

David Anderson

Term currently held by: David Anderson

Term Expires: 1/31/2017

Harry Philo

Term currently held by: Harry Philo

Liquor Advisory Committee

Appointed by Council
7 Regular Members
3 Year Term

Term Expires: 1/31/2019

Andrew Kaltsounis

Term currently held by: Andrew Kaltsounis

Personnel Board

Appointed by Council
5 Regular Members
3 Year Term

Unexpired Term Expires: 4/30/2018

Jane Parpart

Term currently held by: Edna Abraham (Resigned)

Unexpired Term Expires: 4/30/2018

Pamela Gordon

Term currently held by: P. Terry Knight (Deceased)

Yes:

No:

I-2 Board and Committee Nominations: a) Mayoral Nominations – Board of Review, Local Development Finance Authority (LDFA); b) City Council Nominations – Animal Control Appeal Board, Charter Revision Committee, Employees Retirement System Board of Trustees / Retiree Health Care Benefits Plan and Trust, Liquor Advisory Committee, Traffic Committee, Zoning Board of Appeals

a) Mayoral Nominations:

Suggested Resolution
 Resolution #2016-01-
 Moved by
 Seconded by

RESOLVED, That the Mayor of the City of Troy hereby **FORWARDS** the following nominated person(s) to serve on the Boards and Committees as indicated to the next Regular City Council Meeting for action:

Board of Review
 Appointed by Mayor
 3 Regular Members
 3 Year Term

Current Members:

Last Name	First Name	App Res Expire	Appointment Expire	Notes 3
Adams	John	12/19/2016	1/31/2017	
Hatch	James E.	12/15/2017	1/31/2016	Requests Reappointment
Strahl	Frank	11/5/2016	1/31/2018	

Nominations to the Board of Review:

Term Expires: 1/31/2019

Term currently held by: James Hatch

Interested Applicants:

Last Name	First Name	App Resume Expire	Notes 2
Brennan	Michael	9/17/2017	
Sharp	John	5/12/2017	EDC exp 4/30/2015; LDFA exp 6/30/2016

Local Development Finance Authority (LDFA)

Appointed by Mayor
 5 Regular Members
 Staggered 4 Year Term

Current Members:

Last Name	First Name	App Res Expire	Appointment Expire	Notes 1	Notes 2
Beltramini	Robin	4/4/2016	6/30/2018	Resident Member	
Hodorek	Ellen		11/13/2017		
Hoef	Paul	5/1/2017	6/30/2019	Resident Member	EDC exp. 4/30/2015

Sharp	John	7/15/2013	6/30/2016	Resident Member	EDC exp 4/30/2015
Shields	David	6/14/2014	6/30/2016	Member	
Slater	Dane		11/9/2015	Alternate	DDA; LDFA
Spanos	Irene			Oakland County	
Vitale	Nickolas	4/27/2017	6/30/2019	Resident Member	

Nominations to the Local Development Finance Authority:

Term Expires: 11/11/2019

Term currently held by: Dane Slater

Interested Applicants:

Last Name	First Name	App Resume Expire	Notes 1
Schick	Michael	1/13/2017	
Sinutko	Jaime	8/5/2016	

Yes:

No:

b) City Council Nominations:

Suggested Resolution

Resolution #2016-01-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **FORWARDS** the following nominated person(s) to serve on the Boards and Committees as indicated to the next Regular City Council Meeting for action:

[Animal Control Appeal Board](#)

Appointed by Council

5 Regular Members

3 Year Term

Current Members:

Last Name	First Name	App Res Expire	Appointment Expire	Notes 2
Carolan	Patrick	6/17/2015	9/30/2016	
Floch	Patrick	11/18/2016	9/30/2018	
Petrulis	Al	6/16/2017	9/30/2018	Traffic Comm exp 1/31/2017
Saeger	Jayne	10/15/2016	9/30/2017	
Vacancy			9/30/2017	P. Terry Knight's Term

Nominations to the Animal Control Appeal Board:

Unexpired Term Expires: 9/30/2017

Term currently held by: Vacancy-P. Terry Knight term

Interested Applicants:

Last Name	First Name	App Resume Expire	Notes 1
Waters	Gretchen	1/4/2018	

Charter Revision Committee

Appointed by Council
 7 Regular Members
 3 Year Term

Current Members:

Last Name	First Name	App Res Expire	Appointment Expire	Notes 3
Berk	Robert	2/27/2015	4/30/2016	
Bernardi	Maryann	11/18/2013	4/30/2015	NO Reappointment
Bliss	Daniel	11/16/2013	4/30/2015	NO Reappointment
Howrylak	Frank	2/1/2014	4/30/2017	
Kanoza	Shirley	2/21/2015	4/30/2016	
Weisgerber	William	5/7/2017	4/30/2015	NO Reappointment
Wilsher	Cynthia	2/27/2016	4/30/2017	

Nominations to the Charter Revision Committee:

Term Expires: 4/30/2018

Term currently held by: Daniel Bliss

Term Expires: 4/30/2018

Term currently held by: William Weisgerber

Interested Applicants:

No applications on file.

Employees Retirement System Board of Trustees / Retiree Health Care Benefits Plan and Trust

Appointed by Council
 7 Regular Members and 2 Ordinance Member
 3 Year Term

Current Members:

Last Name	First Name	App Res Expire	Appointment Expire	Notes 1	Notes 3
Calice	Mark	10/8/2017	12/31/2015	Council Appointed Citizen	Requests Reappointment
Darling	Thomas			Chapter 10	
Gordon II	Thomas	9/17/2015	12/31/2016	DB-Employee Rep.-Elected	
Henderson	Dave		4/15/2018		Requests Reappointment
Kischnick	Brian			Chapter 10	
Pallotta	Steven		12/31/2017	DC Employee Rep.-Elected	
Stansbury	Milt	11/2/2017	12/31/2018	DC Employee Rep.-Elected	
Vacancy			12/31/2016	Wm. Need resigned 9/9/2015	

Nominations to the Employees Retirement System Board of Trustees / Retiree Health Care Benefits Plan and Trust:**Unexpired Term Expires: 12/31/2016**

Term currently held by: Vacancy–W. Need resigned

Interested Applicants:

No applications on file.

Liquor Advisory Committee

Appointed by Council
7 Regular Members
3 Year Term

Current Members:

Last Name	First Name	App Res Expire	Appointment Expire	Notes 3
Comiskey	Ann	3/18/2016	1/31/2018	
Ehlert	Max	11/5/2016	1/31/2018	
Godlewski	W. Stan	12/14/2012	1/31/2017	
Gorcyca	David	12/6/2015	1/31/2017	
Hall	Patrick	11/24/2017	1/31/2016	NO Reappointment
Kaltsounis	Andrew	11/24/2017	1/31/2016	Requests Reappointment
Oberski	Jeff			
Payne	Timothy	2/8/2014	1/31/2018	

Nominations to the Liquor Advisory Committee:

Term Expires: 1/31/2019

Term currently held by: Patrick Hall

Interested Applicants:

No applications on file.

Traffic Committee

Appointed by Council
7 Regular Members
3 Year Term

Current Members:

Last Name	First Name	App Res Expire	Appointment Expire	Notes 1	Notes 3
Brandstetter	Tim	10/17/2016	1/31/2018		
Easterbrook	David	11/24/2017	1/31/2016		NO Reappointment
Huotari	William			Ex-Officio Member	
Kilmer	Richard	12/12/2015	1/31/2017		
Mayer	Gary			Ex-Officio Member	
Nelson	William			Ex-Officio Member	
Petrulis	Al	1/8/2016	1/31/2017	ACAB exp 9/30/2018	
Regan	Kathleen	3/26/2017	7/31/2016	STUDENT	
Vacancy			1/31/2016	O. Apahidean Resigned 2/13/15	
Wilsher	Cynthia	10/9/2016	1/31/2018		
Ziegenfelder	Peter	12/9/2015	1/31/2017		

Nominations to the Traffic Committee:

Term Expires: 1/31/2019

Term currently held by: Vacancy (Apahidean term)

Term Expires: 1/31/2019

Term currently held by: David Easterbrook

Interested Applicants:

Last Name	First Name	App Resume Expire	Notes 1
Huber	Robert M.	6/10/2017	

WHEREAS, The City Council intends to find that financing energy projects is a valid public purpose because it reduces energy costs, reduces greenhouse gas emissions, stimulates economic development, improves property values and increases employment in the City; and,

WHEREAS, The types of energy projects, either energy efficiency improvements or renewable energy systems, that may be financed under the PACE Program include, but are not limited to: insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems; storm windows and doors; multi-glazed windows and doors; heat-absorbing or heat-reflective glazed and coated window and door systems; and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption; automated energy control systems; heating, ventilating, or air-conditioning and distribution system modifications or replacements; caulking, weather-stripping, and air sealing; replacement or modification of lighting fixtures to reduce the energy use of the lighting system; energy recovery systems; day lighting systems; installation or upgrade of electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity; measures to reduce the usage of water or increase the efficiency of water usage; any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the City Council; a fixture, product, device, or interacting group of fixtures, products, or devices on the customer's side of the meter that use one or more renewable energy resources to generate electricity. Renewable energy resources include, but are not limited to: biomass (includes a biomass stove but does not include an incinerator or digester); solar and solar thermal energy; wind energy; geothermal energy and methane gas captured from a landfill; and,

WHEREAS, The City Council intends to create a PACE district having the same boundaries as the City's jurisdictional boundaries; and,

WHEREAS, The City Council intends to join Lean & Green Michigan™, and intends to utilize Levin Energy Partners, LLC as PACE administrator (the "PACE Administrator") to administer its PACE Program; and,

WHEREAS, The proposed report referenced in Section 9(1) of Act 270 (the "PACE Report") will be available on the City's website at <https://troymi.gov/>, and will also be available at the office of the City Clerk located at: 500 W. Big Beaver, Troy, MI 48084;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Troy City Council, being fully apprised of the PACE Program, finds that financing energy projects is a valid public purpose because it reduces energy costs, reduces greenhouse gas emissions, stimulates economic development, improves property values and increases employment in the City.
2. The Troy City Council, by adoption of this Resolution, formally states its intention to establish a PACE district having the same boundaries as the City's jurisdictional boundaries and a PACE Program as described in and for the reasons set forth in this Resolution.
3. The Troy City Council formally states its intention to provide a property owner based method of financing and funds for energy projects, from owner-arranged financing from a commercial lender, which funds and financing shall be secured and repaid by assessments on the property benefited, with the agreement of the record owners, such that no City

money, general City taxes or City credit of any kind whatsoever shall be pledged, committed or used in connection with any project as required by and subject to Act 270.

4. The City Council, by adoption of this Resolution, formally states its intention to join Lean & Green Michigan™, and to utilize Levin Energy Partners, LLC as PACE Administrator.
5. The City Council hereby sets a public hearing on the Regular City Council Agenda for Monday, February 8, 2016, which starts at 7:30 pm, in the City Council Chambers, 500 W. Big Beaver, Troy, MI 48084, to receive comments on the proposed PACE Program, including the Proposed PACE Report.
6. The City Clerk is authorized and directed to publish a notice of intent for the City of Troy to establish a PACE district and a PACE Program, and a notice of the public hearing set by this Resolution in a newspaper of general circulation in the City. The City Clerk shall maintain on file for public review a copy of the PACE Proposed Report and shall cause the PACE Proposed Report to be available on the City’s website in accordance with the requirements of Act 270.

NOTICE OF PUBLIC HEARING

CITY OF TROY, STATE OF MICHIGAN

ON THE ESTABLISHMENT OF A PACE PROGRAM AND A PACE DISTRICT

TO ALL INTERESTED PERSONS IN THE CITY OF TROY:

PLEASE TAKE NOTICE that the City Council, City of Troy, State of Michigan, (the “City”) will hold a public hearing at the Regular City Council Meeting on Monday, February 8, 2016, which starts at 7:30 pm, in the Troy City Council Chambers,, 500 W. Big Beaver, Troy, MI 48084, to receive comments on the proposed Property Assessed Clean Energy (“PACE”) Program and the proposed PACE Report.

TAKE FURTHER NOTICE that the City Council intends to establish a PACE Program and to establish a PACE district, having the same boundaries as the City’s jurisdictional boundaries, pursuant to Act No. 270, Public Acts of Michigan, 2010 (“Act 270”), MCL 460.935 et. seq., for the purposes of encouraging economic development, improving property valuation, increasing employment, reducing energy costs, reducing greenhouse gas emissions, and promoting the use of renewable energy systems and energy efficiency improvements.

TAKE FURTHER NOTICE that the Proposed PACE Report, required by Section 9(1) of Act 270, is available on the City’s website at <https://troymi.gov/>, and is available at the office of the City Clerk located at 500 W. Big Beaver, Troy, MI 48084.

THIS NOTICE is given by order of the City Council of City of Troy, Michigan.

Yes:

No:

I-5 Spring 2016 Local Road Concrete Segment Replacement (Introduced by: Brian Kischnick, City Manager) (Presented by: Kurt Bovensiep, Public Works Manager, and Bill Huotari, Deputy City Engineer)

Suggested Resolution

Resolution #2016-01-

Moved by

Seconded by

BE IT RESOLVED, That the Troy City Council hereby **AUTHORIZES** City Management to appropriate a transfer that includes supplementary and carryover funds of \$2.5 million from the General Fund to the Capital Projects Fund and the related appropriation from the Capital Fund, which will allow the city to take advantage of 2015 pricing and continue focusing on neighborhood concrete segment replacement.

Yes:

No:

J. CONSENT AGENDA:

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

Suggested Resolution

Resolution #2016-01-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **APPROVES** all items on the Consent Agenda as presented with the exception of Item(s) _____, which shall be **CONSIDERED** after Consent Agenda (J) items, as printed.

Yes:

No:

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

J-2 Approval of City Council Minutes

Suggested Resolution

Resolution #2016-01-

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

- a) City Council Special Study Session Minutes-Draft – January 11, 2016
- b) City Council Minutes-Draft – January 11, 2016

J-3 Proposed City of Troy Proclamations: None Submitted

J-4 Standard Purchasing Resolutions:**a) Standard Purchasing Resolution 4: Cooperative Contract Award – IT Data Center Air Conditioner**Suggested Resolution

Resolution #2016-01-

RESOLVED, That Troy City Council hereby **APPROVES** the purchase, installation and maintenance of one (1) 3-Ton Liebert Datamate 10KW precision cooling system from Hendrick Associates of Grand Rapids, MI through the MiDeal State of Michigan Purchasing Cooperative Contract #071B0200175 for an estimated total cost of \$39,966.00 as per proposal number 2159802R3; which includes a five (5) year warranty on the AC compressor parts, a one (1) year warranty on all project parts and labor and annual maintenance after the first year of approximately \$2,739.00; a copy of which shall be **ATTACHED** to the original Minutes of this meeting;

BE IT FURTHER RESOLVED, That the purchase is **CONTINGENT** upon the company's submission of required insurance certificates and permits.

J-5 2016 Poverty Exemption GuidelinesSuggested Resolution

Resolution #2016-01-

RESOLVED, That, pursuant to MCL 211.7u, the City Council of the City of Troy hereby **APPROVES** the proposed "Poverty Exemption Guidelines" for 2016, as presented by the City Assessor in a memorandum dated December 23, 2015, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

J-6 Revocation of Plant Rehabilitation Exemption Certificate (PREC) for Meritor Heavy Vehicles, LLC (Meritor) at 1235 W. MapleSuggested Resolution

Resolution #2016-01-

WHEREAS, After due notice and proper hearing, the Troy City Council on January 24, 2011, established an Industrial Development District (IDD) for property known as 2135 W. Maple, Troy, MI. 48084, Parcel 88-20-32-126-035 in the name of Meritor Heavy Vehicles, LLC; and,

WHEREAS, On January 24, 2011, the Troy City Council granted a Plant Rehabilitation Exemption Certificate (PREC), Certificate # 2011-059 for proposed renovations to real property at the site to be completed by December 31, 2014; and,

WHEREAS, Meritor Heavy Vehicles, LLC has informed the City that they will no longer be proceeding with the proposed renovations to the real property at the site; and,

WHEREAS, Meritor Heavy Vehicles, LLC has requested that the Plant Rehabilitation Exemption Certificate (PREC) established at 2135 W. Maple, Troy, MI. 48084 be revoked;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **REVOKES** the Plant Rehabilitation Exemption Certificate (PREC), certificate # 2011-059, previously granted to Meritor Heavy Vehicles, LLC, at 2135 W. Maple, Troy, MI. 48084, Parcel # 88-IR-11-100-059, effective December 30, 2015.

BE IT FINALLY RESOLVED, That Troy City Council hereby **DIRECTS** the City Clerk to forward, by certified mail, a copy of this Resolution to the State Tax Commission (STC), Treasury Building, P.O. Box 30471, Lansing, MI. 48909-7971, and to Meritor Heavy Vehicles, LLC, 2135 W. Maple, Troy, MI. 48084.

J-7 Consideration of Part-time Employment Under City Charter Anti-Nepotism Provision

Suggested Resolution
Resolution #2016-01-

RESOLVED, That approval is **GRANTED** to hire Valerie Gale as a part-time Library Aide, should she successfully complete the remaining steps in the hiring process.

J-8 Private Agreement – Contract for Installation of Municipal Improvements – Evangel Baptist Church Building Addition – Project No. 15.910.3

Suggested Resolution
Resolution #2016-01-

RESOLVED, That the Contract for the Installation of Municipal Improvements (Private Agreement) between the City of Troy and Evangel Baptist Church of Troy, is hereby **APPROVED** for the installation of Water Main and Storm Sewer Connections, and the Mayor and City Clerk are **AUTHORIZED** to execute the documents, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

J-9 City of Troy Investment Policy and Establishment of Investment Accounts

Suggested Resolution
Resolution #2016-01-

RESOLVED, That Troy City Council hereby **APPROVES** the *Investment Policy and Establishment of Investment Accounts* as outlined in the memorandum and revised from Director of Financial Services, Thomas Darling, dated January 21, 2016; a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

K. MEMORANDUMS AND FUTURE COUNCIL AGENDA ITEMS:

K-1 Announcement of Public Hearings:

- a) February 8, 2016 – Zoning Ordinance Text Amendment (File Number ZOTA 248) – Woodland Protection
 - b) February 8, 2016 – Street Vacation Request (SV 191) – Alley East of John R Between Gabriel and Vermont, Abutting Parcel 2020 Gabriel on the East and Vacant Parcel 88-20-25-309-002 on the West, Section 25, Currently Zoned R-1E (One Family Residential) District (Abutting Properties)
 - c) February 8, 2016 – Property Assessed Clean Energy (PACE) Program
-

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:****M. CITY COUNCIL/CITY ADMINISTRATION RESPONSE/REPLY TO PUBLIC COMMENT:****N. COUNCIL REFERRALS:**

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

N-1 No Council Referrals**O. COUNCIL COMMENTS:**

O-1 No Council Comments Advanced

P. REPORTS:

P-1 Minutes – Boards and Committees:

- a) Employee Retirement System Board of Trustees-Final – December 9, 2015
 - b) Planning Commission-Final – December 22, 2015
-

P-2 Department Reports:

- a) Troy Historic Village Annual Report – Fiscal Year Ending June 30, 2015
-

P-3 Letters of Appreciation: None Submitted

P-4 Proposed Proclamations/Resolutions from Other Organizations: None Submitted

Q. 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):

R. CLOSED SESSION:

R-1 No Closed Session

S. ADJOURNMENT:

Respectfully submitted,

A handwritten signature in black ink, appearing to read "B. Kischnick". The signature is written in a cursive style with a horizontal line extending to the left.

Brian Kischnick, City Manager

2016 CITY COUNCIL/STAFF RETREAT:

February 26, 2016 at 5:00 PM..... Kresge Foundation, 3215 W. Big Beaver
February 27, 2016 at 8:30 AM..... Walsh College, Barry Center, 3838 Livernois

2016 SCHEDULED SPECIAL CITY COUNCIL MEETINGS:

February 22, 2016 Liquor Violation Hearings
March 14, 2016 Liquor Violation Hearings
April 18, 2016 Joint Meeting–Troy City Council/Troy Chamber
April 21, 2016 Special Study Session – Budget Discussions
April 25, 2016 Special Study Session – Budget Discussions
August 8, 2016 Joint Meeting–Troy City Council/Troy School Board
October 24, 2016..... Joint Meeting–Troy City Council/Troy Planning Commission

2016 SCHEDULED REGULAR CITY COUNCIL MEETINGS:

February 8, 2016 Regular Meeting
February 22, 2016 Regular Meeting
March 14, 2016 Regular Meeting
March 21, 2016 Regular Meeting
April 4, 2016 Regular Meeting
April 18, 2016 Regular Meeting
May 9, 2016..... Regular Meeting
May 23, 2016..... Regular Meeting
June 13, 2016 Regular Meeting
June 27, 2016 Regular Meeting
July 11, 2016 Regular Meeting
July 25, 2016 Regular Meeting
August 8, 2016 Regular Meeting
August 22, 2016 Regular Meeting
September 19, 2016..... Regular Meeting
September 26, 2016..... Regular Meeting
October 10, 2016..... Regular Meeting
October 24, 2016..... Regular Meeting
November 14, 2016 Regular Meeting
November 21, 2016 Regular Meeting
December 5, 2016..... Regular Meeting
December 19, 2016..... Regular Meeting



CITY COUNCIL REPORT

January 22, 2016

TO: Brian Kischnick, City Manager

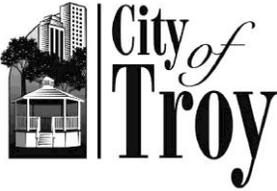
FROM: Mark F. Miller, Director of Economic and Community Development
Nino Licari, City Assessor
Glenn Lapin, Economic Development Specialist

SUBJECT: Property Assessed Clean Energy (PACE) Financing Program

PACE is an innovative economic development financing tool that encourages energy efficiency, water efficiency and renewable energy measures for commercial and industrial properties. Comprehensive energy efficiency upgrades can take up to 20 years to pay back, making financing for much needed energy efficiency improvements difficult with traditional financing terms. Through a property special assessment process, PACE enables up to 100% financing, 15 to 20 year terms and positive cash flow for the life of the project by guaranteeing payment on the financing. If the borrower defaults on a loan payment, the local unit places a lien against the property through a special assessment, guaranteeing eventual payment to the lender. Troy City Council is being asked to consider implementing a local Troy PACE program.

Heller Machine Tools, a long time major Troy employer located at 1225 Equity Drive, is planning improvements to its facility. Many of the proposed improvements relate to energy efficiency. Heller is working with the Troy office of ABM Building Solutions and Levin Energy Partners to develop a building improvement and financing strategy. Representatives from Heller, Levin Energy Partners and ABM Building Solutions presented the PACE program to the Troy Downtown Development Authority on December 2, 2015 and feedback was positive. A motion was made by the DDA to support the concept of adopting a local PACE program with further investigation by staff. A local PACE policy, if implemented, would be of significant assistance to Heller and potentially other property owners as they seek ways to finance energy efficiency improvements. Encouraging energy efficiency improvements is good for the City of Troy as it can increase property values, expand the tax base, make properties more marketable for today's energy conscience users and improve owner/tenant satisfaction.

In an environment of limited State and Local economic development tools and tax incentives available to encourage property owners to improve properties, the PACE program offers an innovative financing mechanism at no direct cost to the City or its taxpayers. State legislation enables local governments to either create its own PACE program or partner with a third party (i.e. Levin Energy Partners) to administer the program. By having a third party administer the program, there would be no cost to the City and there would be no contractual term or commitment to use any specific third party administrator.



CITY COUNCIL REPORT

The State of Michigan has enabled local communities to implement PACE programs. The nearby communities of Bloomfield Township, Ferndale, Pleasant Ridge, Rochester Hills, Royal Oak and Southfield have implemented PACE programs. Enacting a local PACE program is set forth by Public Act No. 270 of 2010 which authorizes local units of government to adopt PACE programs to promote the installation of energy efficiency improvements and renewable energy systems by owners of commercial or industrial property within a district designated by the local unit of government. Act 270 allows private commercial lenders to finance energy projects; authorizes local units of government to issue bonds, notes and other indebtedness; and authorizes the assessment of properties for the cost of the energy projects. However, City management does not recommend the authorization of bonding and other indebtedness for PACE programs in the City of Troy. Act 270 provides for repayment to the local unit of government or the private lender through a voluntary property assessment. The property assessment remains with the property and has the same priority as other property tax and assessment liens in the event of foreclosure.

In order for Troy to implement this program, City Council is being asked to consider the following steps:

1. Passage of a Resolution of Intent
2. Hold a Public Hearing
3. Passage of a Resolution of Adoption

Representatives from Levin Energy Partners, ABM Building Solutions and Heller Machine Tools are scheduled to make a presentation to City Council at its January 25, 2016 meeting. They will be available to answer any questions as well.

Recommendation

If City Council decides to move forward with the implementation of a Troy PACE Financing Program then passage of a Resolution of Intent, scheduling of a Public Hearing and subsequent consideration of a Resolution of Adoption are required. City management does not recommend the authorization of bonding and other indebtedness for PACE programs in the City of Troy.

City Attorney's Review as to Form and Legality

Date

Attachments

1. Levin Energy Partners PACE presentation.
2. City of Troy PACE Program Report.
3. Resolution of Intent to Establish a Property Assessed Clean Energy Program and Calling Public Hearing.

Lean & Green Michigan™ and Property Assessed Clean Energy (PACE)

*A Financing Breakthrough
End Energy Waste with Positive Cash Flow*

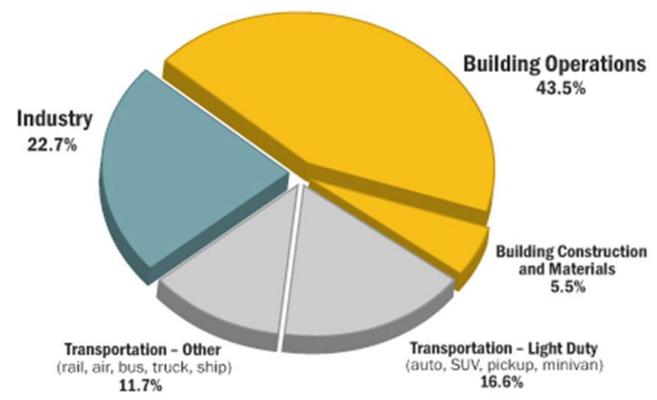
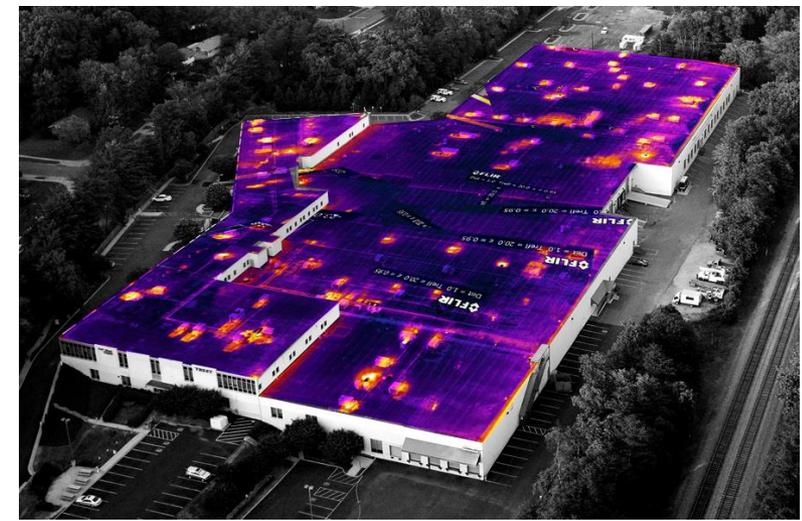
Cory Connolly
cory@levinenergypartners.com



www.leanandgreenmi.com

The Situation

- Buildings use 40-45% of energy in the United States
- 30% of that energy (and expense!) is wasted!
- Massive investment opportunity in commercial building stock



U.S. Energy Consumption by Sector

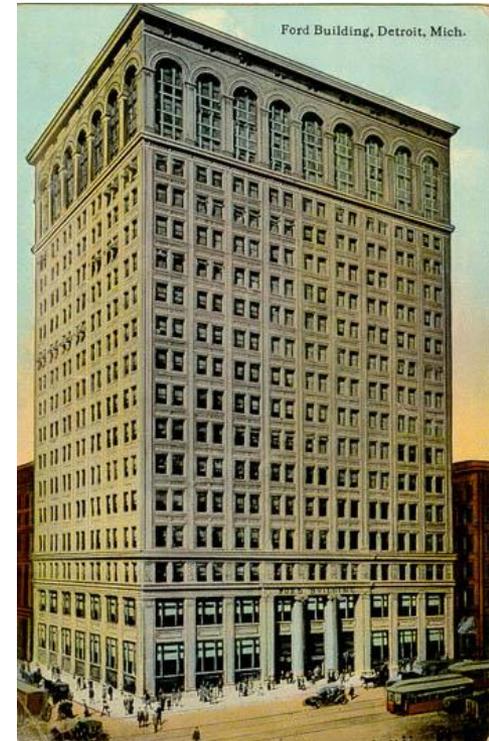
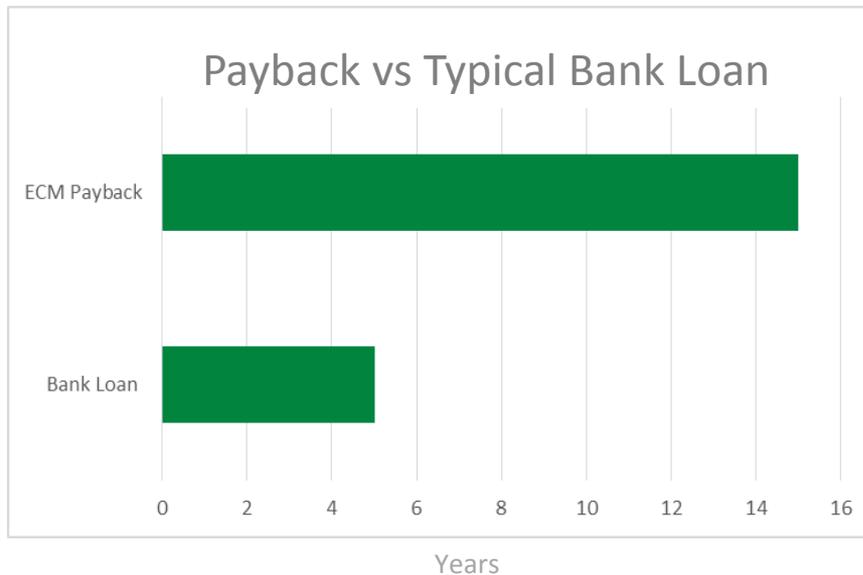
Source: ©2010 2030, Inc. / Architecture 2030. All Rights Reserved.
Data Source: U.S. Energy Information Administration (2009)



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The Problem

- Comprehensive energy efficiency upgrades take 5-20 years to pay back
- So businesses keep wasting energy and money!

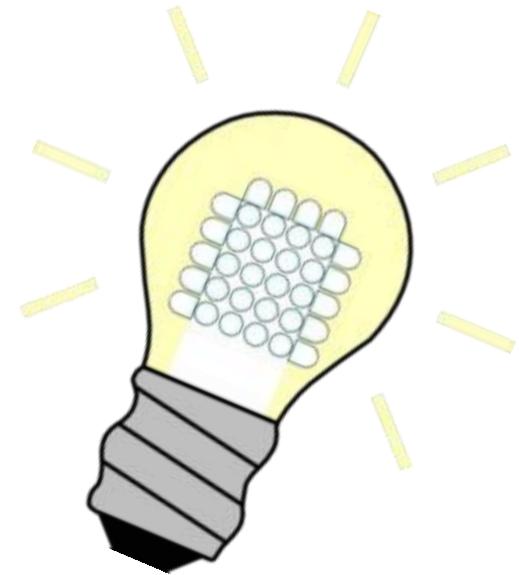


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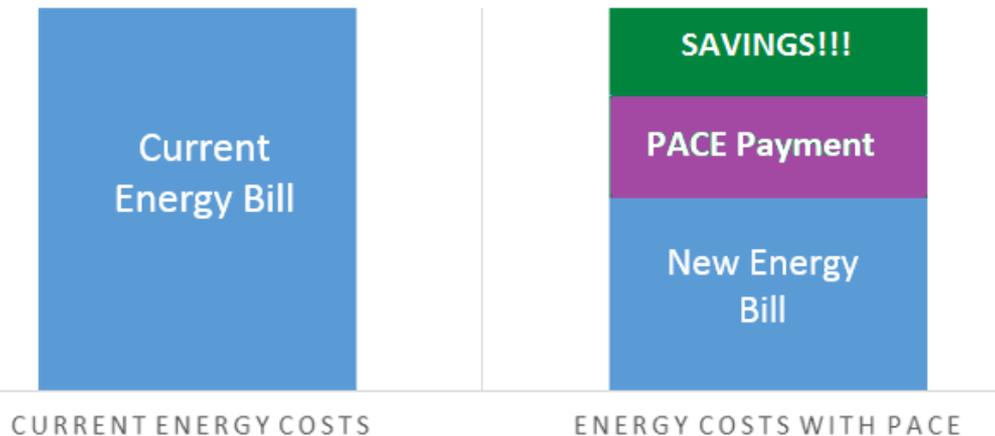
The Solution

Property Assessed Clean Energy (PACE)

- Financing through property tax special assessment enables:
 - 100% financing
 - 15-20 year terms
 - Positive cash flow for life of the project



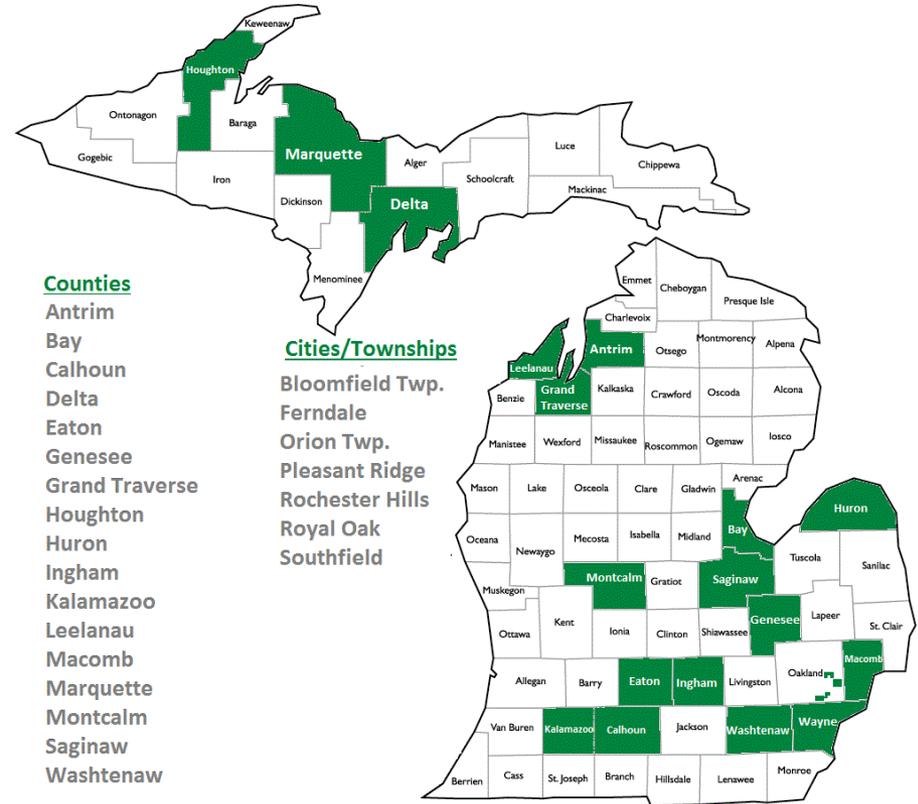
Positive Cash Flow!!



www.leanandgreenmi.com

Lean & Green Michigan

- A statewide PACE marketplace
- Available to all Michigan counties and cities at *no taxpayer expense*
- Uses private capital to unleash the market
- Growing quickly – one new local government per month in 2015



www.leanandgreenmi.com

Lean and Green Michigan

- 18 Counties
- 7 Cities or Townships
- 52% of the State's Population

Eligibility

- Commercial, industrial, multifamily and non-profit buildings
- Not single family homes or government buildings
- Energy efficiency, water efficiency and renewable energy measures and related costs
- Examples
 - Insulation
 - Windows
 - Doors
 - Heating, cooling and A/C
 - Lighting
 - Efficient manufacturing
 - Wind
 - Solar
 - Geothermal
- No incinerators or digesters



www.leanandgreenmi.com

The Outcome

Comprehensive projects that package together energy efficiency, water efficiency and renewable energy improvements to transform buildings and businesses into energy stars!



www.leanandgreenmi.com

Michigan Public Service Commission/Michigan Agency for Energy Building



- Solar, lighting, variable speed motors
- About \$450,00 in upgrades
- Over \$800,000 in lifetime savings
- Delta Township, Eaton County



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Powers Distributing



- Solar installation & lighting upgrades
- About \$450,000 of work
- Over \$1,000,000 in lifetime savings
- Orion Township



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Cambridge Court Apartments



- Solar installation, lighting upgrades, low-flow plumbing, high-efficiency boilers
- About \$115,000 in PACE financing
- Over \$300,000 in lifetime savings
- Greenville, Montcalm County



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Economic Development

- Property owners
 - Save money, get green PR
- Contractors
 - Get a new way to close more and bigger deals
- Local government
 - Improved business climate
 - Free economic development tool
 - Green PR
- Market opportunity
 - Commercial building owners to invest almost \$1 trillion in efficiency through 2023
- 7 percent average annual growth



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Source: Navigant Research, cited in Forbes Tech, 12/30/2014



What about the City of Troy?

- Heller Machine Tool has a real project in the works
- ABM is currently working with the company to develop the best possible project
- Benefits to Troy include improved tenant/business satisfaction, an updated local building stock, and another tool in the tool belt for contractors to use to sell projects



www.leanandgreenmi.com

Why name an administrator?

- PA 270 of 2010 – Local government can create its own PACE program or partner with a third party.
- No cost to City or taxpayers – *Not* naming a third-party administrator would mean that the City of Troy picks up the tab for the PACE program.
- No contractual term or commitment – Choosing LEP as the Troy administrator does not mean there can't be other administrators in the future. And the City may end LEP's services at any time.



www.leanandgreenmi.com

Levin Energy Partners: Ideal Partner for the City of Troy

- **Knowledge** – Founder Andy Levin helped pass Michigan’s PACE law while working for the state
- **Experience** – 15 counties and 6 cities/townships have already created PACE districts with Levin Energy Partners
- **Cost-effectiveness** – LEP helps the city implement PACE at no cost to taxpayers



www.leanandgreenmi.com

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Next Steps

- City council passes resolution of intent
- Council holds public hearing
- Council passes resolution of adoption (can be at same meeting as public hearing)
- Start working with Troy businesses to develop and finance clean energy projects!



www.leanandgreenmi.com

Lean & Green Michigan™ and Property Assessed Clean Energy (PACE)

*A Financing Breakthrough
End Energy Waste with Positive Cash Flow*

Cory Connolly
cory@levinenergypartners.com



www.leanandgreenmi.com



**CITY OF TROY, MICHIGAN
PROPOSED PACE PROGRAM**

DATE



LEVIN
ENERGY
PARTNERS

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Lean & Green Michigan™ PACE Program

Executive Summary

Public Act No. 270 of 2010 (“Act 270”), MCL 460.935 et. seq., authorizes local units of government to adopt Property Assessed Clean Energy (“PACE”) programs to promote the installation of energy efficiency improvements and renewable energy systems by owners of commercial or industrial property within a district designated by the local unit of government. Act 270 allows private commercial lenders to finance energy projects; authorizes local units of government to issue bonds, notes and other indebtedness; and authorizes the assessment of properties for the cost of the energy projects. Act 270 provides for repayment to the local unit of government or the private lender through a voluntary property assessment. The property assessment remains with the property and has the same priority as other property tax and assessment liens in the event of foreclosure.

Lean & Green Michigan™ (“LAGM”) has developed a collaborative approach to PACE programs for local units of government by standardizing the administrative and legal process under which PACE programs are created and managed. Many local units of government throughout the state joined have or are in the process of joining LAGM utilizing a “shared services” approach to eliminate upfront and ongoing program costs and duplication. Further, this approach creates one efficient statewide market, allowing property owners, lenders and clean energy contractors to utilize a standardized process as they employ PACE financing in multiple jurisdictions throughout the state.

This documentation package includes the report required by Section 9 of Act 270 and provides model forms of documents for the PACE program. As many of the details of a PACE transaction are determined on a project-specific basis, adjustments to the model documents may be required to fit a particular transaction. Additionally, there are several blanks left in the documents that should be filled in when the corresponding information is known.



lean & green
MICHIGAN[™]

CITY OF TROY, MICHIGAN

PACE PROGRAM REPORT

This Lean & Green Michigan™ PACE Program Report contains the information required by Section 9 of Act 270. Additional information is available from the City of Troy. The PACE Program and Report were approved by the City of Troy City Council on _____, subsequent to a public hearing held on _____.

INTRODUCTION

In order to encourage economic development, improve property valuation, increase employment, reduce energy costs, reduce greenhouse gas emissions and contribute to the public health and welfare in City of Troy, the City Council established the City of Troy Property Assessed Clean Energy Program pursuant to Public Act No. 270 of 2010 (“Act 270”) by joining Lean & Green Michigan™ (“LAGM,” the “PACE Program” or “Program”). The PACE Program has identified specific sources of commercial funding to finance the implementation of energy efficiency improvements, renewable energy systems and energy projects within the City of Troy PACE district (which is coterminous with City of Troy jurisdictional boundaries).

The City of Troy Council passed a Resolution of Intent to create a PACE district by joining the Lean & Green Michigan statewide PACE program on [REDACTED]. The Council published its first version of this PACE Report thereafter, and held a public hearing on [REDACTED]. The Council passed a Final Resolution adopting this PACE program on [REDACTED].

The purpose of this PACE Report (hereinafter the “Report”) is to fulfill the requirements of Act 270. Section 9 of Act 270 requires a Report that includes: a form of contract between City of Troy and the record owner; identification of an official authorized to enter into program contracts on behalf of City of Troy; a maximum aggregate amount for financing under the program; an application process and eligibility requirements; a method for determining interest rates, repayment periods and the maximum amount of assessment; explanation of how assessments will be made and collected; a plan for raising capital; information regarding reserve funds and fees of the program; a requirement that the term of the assessment not exceed the useful life of the energy project; a requirement of an appropriate ratio of the amount of assessment to the assessed value of the property; requirement of consent from the mortgage holder; provisions for marketing and participant education; provisions for adequate debt service reserve fund; quality assurance and antifraud measures; and a requirement for baseline energy audits, ongoing savings measurements and performance guarantees for projects over \$250,000 in assessments.

1. Form of PACE Contract

A form of model PACE Special Assessment Agreement is attached as **Appendix A**. Individual property owners may negotiate project-specific terms to be included in an actual agreement based upon the specific energy efficiency and renewable energy improvements to be financed through the individual agreement, subject to the limitations set forth herein.

2. Authorized Official/PACE Administrator

The City Manager of the City of Troy, or his designee (the “Authorized Official”) is authorized to enter into PACE Program contracts on behalf of City of Troy in consultation with Levin Energy Partners, LLC (“LEP”). The Authorized Official is further authorized to sign any agreement, documents or certificates necessary to facilitate the participation of property owners and to facilitate the purposes hereunder.

As part of Lean & Green Michigan™, LEP will act as PACE administrator and will manage City of Troy's PACE Program. LEP is authorized to negotiate with credit providers and PACE project participants to facilitate the use of the PACE Program and to assist PACE project applicants in obtaining owner-arranged financing.

3. Financing Parameters

In establishing its PACE district, City of Troy intends for PACE projects to be funded only through owner-arranged private financing.

Owner-arranged and other financing from commercial lenders, as allowed under Act 270, Section 9(1)(g)(iii), are separate sources of financing. There is no limit on the maximum aggregate annual amount of financing provided by private commercial lenders under the program. The dollar amount for financing of a particular project will be established by the property owner seeking to make the property improvement and the commercial lender seeking to finance the energy improvements, as approved by LEP and the Authorized Official.

4. Application Process/Eligibility Requirements

Application Process:

The application process for financing projects under the Program shall be that of LAGM. The current application form is attached as **Appendix B**. This form may be changed or amended as necessary by LEP.

Eligibility Requirements:

The eligibility requirements for financing projects under the Program shall be those of LAGM. Eligibility requirements may be changed or amended as necessary by LEP. The current list of eligibility requirements is attached as **Appendix C**.

5. Financing Terms of Assessments

For funds supplied by commercial lenders, the interest rate for PACE special assessment installments shall be negotiated by the parties based on current market conditions.

The maximum allowable repayment period of a PACE special assessment must be included in the PACE Special Assessment Agreement and will be determined on a project-specific basis and shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years.

The maximum dollar amount of a PACE special assessment shall be negotiated on a project-specific basis between the property owner and the entity providing the financing based upon the specific energy efficiency improvement(s) and/or renewable energy system(s) included in the individual PACE Special Assessment Agreement.

6. Assessment Collection Process

Within the parameters set forth herein, the Authorized Official will determine to:

- i.
- ii. Authorize one or more commercial lenders to provide financing to defray all or part of the cost of the energy improvements by special assessment upon the Special Assessment Parcel, which the Authorized Official will find is especially benefited in proportion to the costs of the energy improvements.

The Special Assessment Roll, attached as **Appendix E**, will be spread by the Authorized Official on behalf of City of Troy and without objection by the property owner to allocate one hundred percent (100%) of the PACE special assessment levy created hereby to the Special Assessment Parcel.

The PACE special assessment, as allocated by the Authorized Official on behalf of City of Troy without objection by the property owner, will be finally established against the property and the energy projects to be constructed on the Special Assessment Parcel. The PACE special assessment will be effective immediately upon the execution and delivery of the PACE Special Assessment Agreement by the property owner. The PACE special assessment may be paid in semi-annual installments pursuant to Section 13(2) of Act 270. The Authorized Official, on behalf of City of Troy, will confirm the Special Assessment Roll.

7. Financing Program

LAGM has developed and will continue to develop an active roster of financial institutions, institutional investors and other sources of private capital available to finance PACE projects in Michigan. By participating in LAGM, City of Troy helps its constituent property owners gain access to private capital made available through the statewide program. City of Troy authorizes the use of owner-arranged financing from commercial lenders to finance qualified energy projects under the Program.

8. Reserve Fund

By participating in LAGM, City of Troy assists its constituent property owners in taking advantage of any and all appropriate loan loss reserve and gap financing programs of the Michigan Economic Development Corporation (“MEDC”). Such financing mechanism can similarly be used to finance a reserve fund.

9. Fee Schedule

Application, administration and program fees for record owners shall be those of LAGM. Administration and program fees will be determined on a project-specific basis and will depend on the size, nature and complexity of the energy project(s) and financing mechanism(s) involved.

10. Useful Life

The maximum length of time allowable for repayment of a PACE assessment shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years and will be determined on a project-specific basis by LEP. Projects involving multiple energy efficiency improvements and/or renewable energy systems may aggregate the useful life of each improvement to determine an overall useful life figure for financing purposes. In aggregating the improvements, the property owner must appropriately weigh each improvement's dollar cost.

11. Property Eligibility Parameters

The ratio of the amount of the assessment to the market value of the property must be appropriate and shall be set forth in the PACE Special Assessment Agreement for each project. In calculating the appropriate ratio, the parties may use either: 1) the market value of the property before the PACE project; or 2) the expected post-PACE project market value of the property — including the value of the project.

- If the parties calculate an appropriate ratio pre-project, energy projects shall generally not exceed 25% of market value of the property prior to the PACE project as agreed to by the parties using a proper measure such as a recent appraisal or two times the State Equalized Value.
- If the parties calculate an appropriate ratio that includes the value of the PACE project, total indebtedness of the property shall not exceed the market value of the property prior to the PACE project as agreed to by the parties using a proper measure such as a recent appraisal or two times the State Equalized Value, plus 75% of the value of the PACE project.

LEP and the Authorized Official may permit projects that exceed these values for reasonable cause on a case-by-case basis.

12. Mortgage Consent Requirement

If a property is subject to a mortgage the record owner must obtain written consent from the mortgagee to participate in the Program. Proof of lender consent must be submitted before a Special Assessment Agreement may be executed. A form of model lender consent to participate in a PACE Program is attached as **Appendix G**.

13. Marketing Program

LAGM has developed an ongoing marketing and participant education program. By joining LAGM, City of Troy gains access to this program and agrees to partner with LAGM in educating businesses in City of Troy about opportunities to save energy, save money and improve their property value. The City authorizes the use of City of Troy's logo by LAGM to be incorporated into the LAGM website and other communication vehicles. More information regarding the Program can be obtained at LAGM's website: www.leanandgreenmi.com; or at City of Troy's website at <https://www.troymi.gov/>.

14. Quality Assurance and Antifraud Measures

LAGM includes the following quality assurance and antifraud measures:

- i. Business integrity review on clean energy contractors conducted by Michigan Saves;
- ii. Background check process on clean energy contractors conducted by Michigan Saves; and
- iii. Other general due diligence as may be necessary or required.

15. Audit Requirement

As set forth in the PACE Program Application, a baseline energy audit must be completed before an energy project is undertaken. Each contract will require and provide adequate funding for monitoring and verification of energy savings throughout the life of the special assessment.

16. Projects Over \$250,000

As set forth in the PACE Special Assessment Agreement, energy projects financed with more than \$250,000 require ongoing measurements to establish energy savings and a guarantee from the contractor that the energy project will achieve a savings to investment ratio greater than one.

17. Amendments to the Program

A public hearing shall not be required to amend this Program. the City of Troy PACE program may be amended as necessary from time to time.

SPACE ABOVE FOR RECORDING PURPOSES

PACE SPECIAL ASSESSMENT AGREEMENT

by and among

CITY OF TROY, MICHIGAN

and

INSERT NAME OF BORROWER

and

INSERT NAME OF LENDER

Dated: _____

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PACE SPECIAL ASSESSMENT AGREEMENT

THIS PACE SPECIAL ASSESSMENT AGREEMENT (this “Agreement”) is made this ____ day of _____, 2015, by and among the City of Troy, a Michigan municipal corporation (the “City of Troy”), whose address is 500 W. Big Beaver, Troy, MI 48084, _____ (the “Property Owner”), whose address is _____, and _____ (the “Lender”), whose address is _____.

RECITALS:

A. Pursuant to Act 270 and a resolution adopted by the City Council of the City of Troy on INSERT DATE, the City of Troy has established the PACE Program as described in the PACE Program Report and has created the Special Assessment District under the PACE Program for the purpose, *inter alia*, of assisting a record owner of property within the Special Assessment District in obtaining Owner-Arranged Financing from a commercial lender to defray the costs of one or more Energy Projects on the property.

B. Under Act 270, the City of Troy is authorized, pursuant to an agreement with the record owner of property within the Special Assessment District, to impose a special assessment on the property to be benefitted by the Energy Projects in order to secure and provide for the repayment of the Owner-Arranged Financing.

C. The Property Owner desires to undertake certain Energy Projects on commercial property of the Property Owner located within the Special Assessment District, as described herein, and has obtained a commitment from the Lender to make the Loan to the Property Owner to defray a portion of the cost thereof.

D. In order to induce the Lender to make the Loan to the Property Owner, the Property Owner has requested that the City of Troy enter into this Agreement for the purpose of imposing a special assessment on the property to be benefitted by the Energy Projects, in accordance with Act 270, which special assessment will secure and provide for repayment of the Loan from the Lender.

E. Pursuant to Act 270 *MCL 460.935 et. seq.) and the PACE Program, the City of Troy is authorized to enter into this Agreement.

In consideration of the foregoing and the mutual covenants contained in this Agreement, the City of Troy, the Property Owner and the Lender hereby enter into this Agreement and covenant and agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions. Capitalized terms used in this Agreement, including the Recitals hereto, shall have the following meanings, except to the extent the context in which they are used requires otherwise:

(a) “**Act 270**” means Act 270 of the Michigan Public Acts of 2010, commonly referred to as the Property Assessed Clean Energy Act (MCL 460.935 et. seq.) .

(b) “**Agreement**” means this PACE Special Assessment Agreement as same may be amended and/or restated.

(c) “**Applicable Interest Rate**” means _____ percent (___%) per annum.

(d) “**Authorized Official**” means the City Manager, or his designee, who is authorized to exercise the authority of an Authorized Official under the terms of the PACE Program Report.

(e) “**City**” or “**City of Troy**” means the City of Troy, County of Oakland, State of Michigan, a Michigan municipal corporation.

(f) “**County**” means the County of Oakland, State of Michigan.

(g) “**Default Rate**” means the lesser of (i) eighteen percent (18%) per annum and (ii) the maximum allowable rate of interest under the laws of the State of Michigan.

(h) “**Energy Efficiency Improvement**” means equipment, devices, or materials intended to decrease energy consumption, including, but not limited to, all of the following:

insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems; storm windows and doors; multi-glazed windows and doors; heat-absorbing or heat-reflective glazed and coated window and door systems; and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption; automated energy control systems; heating, ventilating, or air-conditioning and distribution system modifications or replacements; caulking, weather-stripping, and air sealing; replacement or modification of lighting fixtures to reduce the energy use of the lighting system; energy recovery systems; day lighting systems; installation or upgrade of electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity; measures to reduce the usage of water or increase the efficiency of water usage; and any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the City Council of the City of Troy.

(i) “**Energy Project**” means the installation or modification of an Energy Efficiency Improvement or the acquisition, installation, or improvement of a Renewable Energy System.

(j) “**Event of Default**” has the meaning set forth in Section 7.01 hereof.

(k) “**Force Majeure**” means unforeseeable events beyond a party’s reasonable control and without such party’s failure or negligence including, but not limited to, acts of God, acts of public or national enemy, acts of the federal government, fire, flood, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, and delays of contractors due to such causes, but only if the party seeking to claim Force Majeure takes reasonable actions necessary to avoid delays caused thereby.

(l) “**General Property Tax Act**” means the General Property Tax Act, Act 206, Public Acts of Michigan, 1893, as amended.

(m) “**Improvements**” means the [Energy Efficiency Improvements and the Renewable Energy System Improvements] being undertaken by the Property Owner on the Special Assessment Parcel as described in **Appendix B** attached hereto.

(n) “**Lean & Green Michigan™**” means a consortium of local units of government and private entities involved in facilitating property assessed clean energy program-financed transactions.

(o) “**Lender**” means INSERT NAME OF LENDER, a INSERT DESCRIPTION OF LENDER, I.E. COMPANY TYPE

(p) “**LEP**” shall mean Levin Energy Partners, LLC, a Michigan limited liability company.

(q) “**Loan**” means the loan obtained by the Property Owner from the Lender pursuant to Owner-Arranged Financing to defray a portion of the cost of the Improvements under the terms of the Loan Documents.

(r) “**Loan Documents**” means the Loan Agreement, dated as of _____, between the Property Owner and the Lender and any and all exhibits or attachments thereto, including any documents amending, restating, replacing, extending or

otherwise modifying the Loan Agreement and all documents provided to the Lender from time to time by the Property Owner to evidence or secure the Loan as required pursuant to the terms of the Loan Agreement.

(s) “**Owner-Arranged Financing**” means the process by which a property owner secures financing for improvements to its property that does not involve bonds or any other form of funding provided by the City of Troy.

(t) “**PACE Program**” shall mean the property assessed clean energy program implemented by the City of Troy pursuant to Act 270 and the PACE Program Report to stimulate energy efficiency and renewable energy projects in conformity with Act 270.

(u) “**PACE Program Report**” means the Lean & Green Michigan™ Pace Program Report approved by the City Council of the City of Troy on INSERT DATE.

(v) “**Payment Schedule**” has the meaning set forth in Section 4.01 hereof.

(w) “**Property Owner**” means INSERT NAME OF PROPERTY OWNER

(x) “**Renewable Energy System Improvement**” means a fixture, product, device, or interacting group of fixtures, products, or devices on the customer’s side of the meter that use one (1) or more Renewable Energy Resources to generate electricity. Renewable Energy System Improvement includes a biomass stove but does not include an incinerator or digester.

(y) “**Renewable Energy Resource**” has the meaning set forth in Act 270.

(z) “**Special Assessment**” means the money obligation created pursuant to this Agreement with respect to the Special Assessment Parcel used to defray the cost of the Improvements and which shall, together with all interest, charges and penalties which may accrue thereon, be a lien upon the Special Assessment Parcel of the same priority and status as other property tax liens and other assessment liens as provided in Act 270 until such amounts have been paid in full.

(aa) “**Special Assessment District**” means the Special Assessment District established as part of the PACE Program pursuant to Act 270.

(bb) “**Special Assessment Parcel**” means the property located in the Special Assessment District to which one hundred percent (100%) of the Special Assessment has been spread by the City of Troy and which is more particularly described on the attached **Appendix A**.

(cc) “**Special Assessment Roll**” has the meaning set forth in Section 4.01 hereof.

**ARTICLE II
DESCRIPTION OF IMPROVEMENTS**

Section 2.01 Description of Improvements. The Improvements to be acquired, constructed, installed and financed by the Property Owner under the PACE Program are described in **Appendix B** attached hereto. If after project approval, the Property Owner seeks to undertake additional Improvements, **Appendix B** may be amended or supplemented from time to time. Such additional Improvements must meet all the eligibility criteria of the PACE Program and the PACE Program Report and may be added to the original application as a modification, or submitted as a new project, at the discretion of LEP and the Authorized Official.

**ARTICLE III
COVENANTS OF THE PROPERTY OWNER**

Section 3.01 Acquisition, Construction and Installation of Improvements.

(a) The Property Owner covenants and agrees to acquire, construct and install the Improvements as described in **Appendix B** on the Special Assessment Parcel described on **Appendix A** in full conformity with all applicable laws and regulations and in compliance with the PACE Program eligibility requirements set forth in **Appendix D**. If the proceeds of the Loan are not sufficient to pay the costs of the Improvements as aforesaid, the Property Owner agrees to complete the Improvements and to pay that portion of the costs of the Improvements in excess of the amount of the Loan. The Property Owner acknowledges and agrees that the City of Troy makes no representation, either express or implied, that the proceeds of the Loan will be sufficient to pay the total costs of the Improvements, and the Property Owner agrees that that if, after exhaustion of the proceeds of the Loan, the Property Owner shall be required to pay any portion of the costs of the Improvements from its own funds, the Property Owner shall not be entitled to any reimbursement therefor from the City of Troy or from the Lender, nor shall the Property Owner be entitled to any abatement or diminution of the amount of the Special Assessment created by this Agreement or of any interest, charges or penalties which may accrue thereon.

(b) The Property Owner acknowledges and agrees that the City of Troy (i) has no liability, obligation or responsibility whatsoever with respect to the Improvements, (ii) makes no representation or warranty whatsoever with respect to the Improvements, and (iii) is not a party to, nor has it approved or consented to, any contract or other agreements between (A) the Property Owner and any contractor, subcontractor or other person relating to the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements (including, without limitation, any energy performance or energy savings guarantee) or (B) the Property Owner and the Lender. The Property Owner covenants and agrees to indemnify and hold harmless the City of Troy and its officers, agents, attorneys and employees from and against any loss, expense (including reasonable counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from, or in any way connected with: (i) the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements; (ii) any contract or other agreement between the Property Owner and any contractor, subcontractor

or other person relating to the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements (including, without limitation, any energy performance or energy savings guarantee); or (iii) any contract or agreement between the Property Owner and the Lender. The provisions of this Section 3.01(b) shall survive the termination of this Agreement and the discharge of the lien of the Special Assessment as herein provided.

(c) The Property Owner further acknowledges and agrees that no breach or default or failure to perform on the part of any contractor, subcontractor or other person under any contract or other agreement between the Property Owner and any such contractor, subcontractor or other person relating to the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements (including, without limitation, any energy performance or energy savings guarantee), nor any claim or dispute relating thereto, shall entitle the Property Owner to any abatement or diminution of the amount of the Special Assessment created by this Agreement or of any interest, charges or penalties which may accrue thereon.

ARTICLE IV PACE SPECIAL ASSESSMENT

Section 4.01 PACE Special Assessment Created.

(a) At the request of the Property Owner, the City of Troy hereby determines to assist the Property Owner in obtaining the Loan to defray a portion of the cost of the Improvements on the Special Assessment Parcel by the levy of the Special Assessment upon the Special Assessment Parcel, which the Authorized Official on behalf of the City of Troy finds is especially benefitted in proportion to the cost of the Improvements. The Special Assessment created hereby has been spread by the Authorized Official on behalf of the City of Troy on the Special Assessment Roll attached hereto as **Appendix E** (the “Special Assessment Roll”), with the consent of the Property Owner, to allocate one hundred percent (100%) of the Special Assessment to the Special Assessment Parcel.

(b) The Special Assessment, as allocated by the Authorized Official with the consent of the Property Owner, is hereby finally established and levied against the Special Assessment Parcel as described on the attached **Appendix A** in the principal amount of _____ Dollars (\$_____) as stated on the Special Assessment Roll. The Special Assessment is effective immediately upon the execution and delivery of this Agreement by the Property Owner. The Special Assessment shall be paid by the Property Owner in INSERT NUMBER OF SEMI-ANNUAL INSTALLMENTS on the dates and in the amounts set forth in the payment schedule attached hereto as **Appendix C** (the “Payment Schedule”). The Special Assessment Roll and the Payment Schedule are hereby approved and confirmed by the Authorized Official on behalf of the City of Troy. The unpaid amount of the Special Assessment Roll shall bear interest from the date of execution and delivery of this Agreement at the Applicable Interest Rate, as calculated by the Lender in accordance with the terms of the Loan Documents, payable semi-annually on each date on which any installment of the Special Assessment is due in accordance with the Payment Schedule. Notwithstanding the foregoing, (i) if any installment of the Special Assessment or any interest due and payable on the Special

Assessment Roll is not paid by the Property Owner when and as the same shall become due and payable in accordance with the provisions of this Section 4.01 or (ii) any “event of default” under the Loan Documents has occurred and is continuing, the unpaid amount of the Special Assessment Roll shall bear interest at the Default Rate as calculated by the Lender in accordance with the terms of the Loan Documents, for so long as such amounts remain unpaid or for so long as such “event of default” under the Loan Documents exists and is continuing. The City of Troy, the Property Owner and the Lender agree that the Lender shall be solely responsible for the determination from time to time of the Applicable Interest Rate and the Default Rate and the amount of interest due and payable by the Property Owner on the Special Assessment Roll on each day on which interest thereon is due and payable as provided in this Agreement, and the Lender’s determination thereof shall be binding on the Property Owner absent manifest error. The Property Owner and the Lender agree that the City of Troy shall under no circumstance have any obligation to determine the Applicable Interest Rate or the Default Rate or to calculate the amount of any interest payment due on the Special Assessment Roll as provided in this Agreement, and the City of Troy may conclusively rely upon the Lender’s determinations thereof for the purpose of exercising and discharging all of the City of Troy’s rights and obligations under this Agreement. The Lender agrees to provide, or cause to be provided, notice to the Property Owner and the City of Troy of the determinations of the Applicable Interest Rate and the Default Rate, as applicable, pursuant to this Section 4.01(b) at such times, and from time to time, as the Property Owner or the City of Troy may request.

Section 4.02 Assignment of Special Assessment Payments to Lender. At the request of the Property Owner and the Lender, and pursuant to Section 9(g)(iii) of Act 270, the City of Troy hereby irrevocably assigns to the Lender its right to receive all installments of the Special Assessment required to be paid by the Property Owner pursuant to this Agreement, whether in accordance with the Payment Schedule or upon prepayment of the Special Assessment in whole or in part in accordance with Section 4.06 of this Agreement, together with all payments of interest due and payable on the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, as provided in Section 4.01(b) of this Agreement. In pursuance of the foregoing, the City of Troy, the Property Owner and the Lender agree that, except as provided in Section 4.05 of this Agreement, (i) all installments of the Special Assessment, whether payable in accordance with the Payment Schedule or upon prepayment of the Special Assessment in whole or in part in accordance with Section 4.06 of this Agreement, together with all payments of interest due and payable upon the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, shall be paid by the Property Owner directly to the Lender when due at such address in the United States as may be designated by the Lender in writing to the Property Owner and the City of Troy, (ii) the City of Troy shall have no obligation or duty to include any installments of the Special Assessment on any tax bill issued by the City of Troy or to bill, collect or remit to the Lender any installments of the Special Assessment or any interest due and payable upon the Special Assessment Roll, and (iii) absent receipt by the City of Troy of written notice from the Lender of a payment default in accordance with Section 4.05 hereof, the City of Troy shall be entitled to conclusively presume that all installments of the Special Assessment and all payments of interest due and payable on the Special Assessment Roll have been made by the Lender to the Property Owner when due as required by the terms of this Agreement.

Section 4.03 Property Owner's Consent to Special Assessment; Waiver.

(a) The Property Owner hereby irrevocably consents to and confirms the creation of the Special Assessment Roll and the levy of the Special Assessment established pursuant to this Agreement and EXPRESSLY WAIVES ANY AND ALL CLAIMS CHALLENGING, AND DEFENSES TO, THE LEGALITY, VALIDITY, ENFORCEABILITY OR COLLECTABILITY OF THE SPECIAL ASSESSMENT, including, without limitation, all claims, causes of action and defenses arising from, relating to or otherwise based upon any theory of procedural defect concerning the approval of the Improvements, the establishment of the Special Assessment District, confirmation of the Special Assessment Roll and the Payment Schedule, the City of Troy's right to place the Special Assessment lien on the Special Assessment Parcel, the collectability and due dates of the Special Assessment installments and interest due and payable on the Special Assessment Roll, or any other theory, claim, cause of action or defense arising at law or in equity. The Property Owner further waives notice of hearing and the right to file objections if and to the extent such rights exist under the City Charter or any special assessment ordinance of the City of Troy.

(b) Following the signing of this Agreement, no suit or action of any kind shall be instituted or maintained for the purpose of contesting or enjoining the collection of the Special Assessment, and the Property Owner, for itself and its successors in interest, lessees, purchasers, and assigns with respect to all or any part of the Special Assessment Parcel, hereby irrevocably waives its rights to contest the Special Assessment with any adjudicative body having jurisdiction over the subject matter, including, but not limited to, the Michigan Tax Tribunal.

(c) In addition to the conditions, covenants, warranties and representations contained in the Loan Documents, the Property Owner shall not sell, transfer, alienate or convey any of its interest in the Special Assessment Parcel without first having given written notice of the Special Assessment to any successors in interest, lessees, purchasers or assigns and having made a copy of this Agreement part of any purchase contract, sale contract, lease agreement, deed or any other conveyancing instrument by which the Property Owner purports to assign all or any part of its interest in the Special Assessment Parcel to any successors in interest, lessees, purchasers, licensees, transferees and any other assigns. This Agreement shall be recorded against the real property constituting the Special Assessment Parcel by the City of Troy with the Register of Deeds of the County of Oakland, State of Michigan.

(d) The Property Owner agrees that it, its successors and assigns shall, during the term of this Agreement and the Special Assessment, pay all ad valorem real property taxes and assessments levied against the Special Assessment Parcel when due and the Property Owner specifically waives, irrevocably for itself, its successors and assigns as to any and all portions of the Special Assessment Parcel, the right to pay ad valorem real property taxes and assessments on any other installment method which may be available to property owners in the City of Troy.

(e) The City of Troy agrees that following (i) payment by the Property Owner in full of the Special Assessment, together with all accrued interest on the Special Assessment Roll, and all other interest, charges and penalties which may accrue thereon, and (ii) receipt by the City of Troy of written acknowledgment from the Lender that the Special Assessment, together with all accrued interest on the Special Assessment Roll, has been paid to the Lender in full, it will

promptly execute and deliver documentation discharging the lien of the Special Assessment on the Special Assessment Parcel. Until the Special Assessment liability has been fully satisfied and the lien discharged, each purchaser of all or any part of the Special Assessment Parcel, as a condition of closing on such purchase, shall execute and deliver to the City of Troy a written notice: (i) acknowledging the principal amount unpaid and outstanding on the Special Assessment; (ii) agreeing to the assumption of the liability to pay the Special Assessment, and any interest thereon, on a timely basis, when due, until the remaining balance and interest on said Special Assessment has been paid in full; and (iii) agreeing to pay to the Lender at or prior to the close of the purchase all past due installments of the Special Assessment and all past due payments of interest on the Special Assessment Roll. The representations set forth in such written notice shall be enforceable at law and in equity, including without limitation, by way of specific performance.

Section 4.04 Lien. The Special Assessment is an obligation with respect to the Special Assessment Parcel, and shall, until paid, be and continue to be a lien upon the Special Assessment Parcel for the amount of the Special Assessment and all interest, charges and penalties which may accrue thereon. Such lien shall be of the same character and effect as liens created pursuant to the City Charter of the City of Troy for City taxes and shall be treated as such with respect to procedures for collection as set forth in the General Property Tax Act and the City Charter of the City of Troy, including accrued interest, charges and penalties. The Special Assessment confirmed hereby is a debt to the City of Troy from the Property Owner and its successors in interest, lessees, purchasers and assigns. The right of the City of Troy to receive all installments of the Special Assessment required to be paid by the Property Owner pursuant to this Agreement, together with all payments of interest due and payable on the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, as provided in Section 4.01, has been irrevocably assigned by the City of Troy to the Lender in accordance with the provisions of Section 4.02 of this Agreement. No judgment or decree shall destroy or impair any lien of the City of Troy upon the premises assessed for such amount of the Special Assessment as may have been equitably or lawfully charged and assessed thereon. Failure of the Property Owner or any subsequent property owner to receive any notice required to be sent under the provisions of the City Charter or this Agreement shall not invalidate the Special Assessment or the Special Assessment Roll and shall not be a jurisdictional requirement.

Section 4.05 Payment Default.

(a) If any installment of the Special Assessment or interest due on the Special Assessment Roll shall not have been paid by the Property Owner to the Lender, as assignee of the City of Troy, at the time and in the amount required by Section 4.01 hereof (a “Payment Default”), the Lender shall, not later than [thirty (30)] days following the date such sums were due and payable (the “Payment Default Date”), deliver written notice to the Treasurer of the City of Troy by registered or certified mail, with a copy to the notice parties of the City of Troy set forth in Section 8.03 hereof, stating all of the following: (i) that a Payment Default has occurred under this Agreement; (ii) the Payment Default Date; (iii) the amount of the installment of the Special Assessment that was due and payable on such Payment Default Date and which remains unpaid and the amount of interest on the Special Assessment Roll that was due and payable on such Payment Default Date and which remains unpaid (collectively, the “Payment Default Amount”); and (iv) an attestation by an authorized representative of the Lender that (x) no

portion of the Payment Default Amount specified in the foregoing notice has been included in any previous notice delivered to the City of Troy pursuant to this Section 4.05(a) and (y) the statements contained in the foregoing notice are true, correct and complete as of the date of such notice. Upon receipt of such notice from the Lender, the City of Troy shall take such actions as may be required to cause the Payment Default Amount to be certified for collection and to be included on the summer or winter tax bill next succeeding the Payment Default Date, and such Payment Default Amount shall be collected at the same time and in the same manner as is prescribed for the collection by the City of Troy of property taxes under the General Property Tax Act and the City Charter of the City of Troy. Notwithstanding the foregoing provisions of this Section 4.05(a), if the notice of the Lender described in this Section 4.05(a) is not received by the Treasurer of the City of Troy at least forty-five (45) days prior to the date of the summer or winter tax bill next succeeding the Payment Default Date, then the City of Troy shall not be obligated to place the Payment Default Amount for collection on the summer or winter tax bill next succeeding the Payment Default Date, but shall instead place the Payment Default Amount for collection on the first summer or winter tax bill issued thereafter for which the Treasurer of the City of Troy has received at least forty-five (45) days prior notice of the Payment Default as provided in this Section 4.05(a). The City of Troy shall be entitled to conclusively rely upon any notice of the Lender delivered pursuant to this Section 4.05(a) as to the existence of a Payment Default and as to the Payment Default Amount, and shall not be liable to the Property Owner or to any other person for any action taken by the City of Troy pursuant to the terms of this Agreement or otherwise in reliance upon the information contained in such notice. Absent receipt by the City of Troy of written notice from the Lender of a Payment Default in accordance with this Section 4.05(a), the City of Troy shall be entitled to conclusively presume that all installments of the Special Assessment and all payments of interest due and payable on the Special Assessment Roll have been made by the Property Owner to the Lender when due as required by the terms of this Agreement, and the City of Troy shall have no obligation or duty to include any installments of the Special Assessment on any tax bill issued by the City of Troy or to bill, collect or remit to the Lender any installments of the Special Assessment or any interest due and payable upon the Special Assessment Roll.

(b) The City of Troy hereby agrees that, pursuant to the irrevocable assignment set forth in Section 4.04, it will cause to be paid over to the Lender all amounts received by the City Treasurer as collections of any Payment Default Amount that has been placed on any summer or winter tax bill in accordance with Section 4.05(a) hereof, and that has not been returned to the County Treasurer of the County as delinquent, within forty-five (45) days of the date such sums are received by the City Treasurer. The parties hereto expressly acknowledge and agree that in no event shall the City of Troy advance to the Lender the amount of any unpaid Payment Default Amount, and the City of Troy shall be obligated to pay over to the Lender only such sums as are actually received by the City Treasurer as collections of any Payment Default Amount that has been placed on a summer or winter tax bill as provided in this Section 4.05, without interest thereon (other than interest on the Special Assessment Roll payable by the Property Owner pursuant to Section 4.01(b) that has been collected by the City Treasurer as part of the Payment Default Amount).

(c) If any Payment Default Amount included in a summer or winter tax bill in any year shall remain unpaid as of the last day of February of the following year (the "Delinquent

Payment Amount”), the City of Troy shall return the Delinquent Payment Amount to the County Treasurer of the County for collection pursuant to the General Property Tax Act in the same manner and with like effect as returns by the City of Troy of delinquent City taxes. If the Treasurer of the County shall thereafter pay to the Treasurer of the City of Troy all or any portion of the Delinquent Payment Amount from the delinquent tax revolving fund established by the County pursuant to the General Property Tax Act, the Treasurer of the City of Troy shall hold the funds received from the County with respect to the Delinquent Payment Amount in escrow in a separate account established on the books of the City of Troy for such purpose (the “Escrow Account”). All funds credited to the Escrow Account shall be applied by the Treasurer of the City of Troy for the following purposes and in the following order of priority:

(i) Until such time as the Treasurer of the County shall receive payment in full of the total amount of all unpaid delinquent taxes on the Special Assessment Parcel (including all Delinquent Payment Amounts), together with the total amount of all interest, penalties and fees payable thereon pursuant to the General Property Tax Act, all funds credited to the Escrow Account shall be maintained in the Escrow Account and shall be paid out only for the purposes described in this Section 4.05(c)(i). In the event that all or any portion of any Delinquent Payment Amount that has been paid to the City of Troy from the County delinquent tax revolving fund as described in Section 4.05(c) is subsequently recovered from or charged back to the City of Troy by the Treasurer of the County pursuant to Section 87b of the General Property Tax Act, the Treasurer of the City of Troy shall be authorized to withdraw from the Escrow Account funds in an amount sufficient, as determined by the Treasurer of the City of Troy, to reimburse the City of Troy for all or any portion of any Delinquent Payment Amount that has been recovered from or charged back to the City of Troy and for all interest and other amounts payable thereon. Funds withdrawn from the Escrow Account in accordance with the provisions of this Section 4.05(c)(i) shall be deposited in the General Fund of the City of Troy or as otherwise determined by the Treasurer of the City of Troy, and the Lender shall have no right or interest in any of such funds.

(ii) If (A) the Treasurer of the County shall receive payment in full of the total amount of all unpaid delinquent taxes on the Special Assessment Parcel (including all Delinquent Payment Amounts), together with the total amount of all interest, penalties and fees payable thereon pursuant to the General Property Tax Act, whether as a result of payment of such amounts by the Property Owner, redemption of the Special Assessment Parcel after forfeiture to the Treasurer of the County, sale of the Special Assessment Parcel at auction by the Treasurer of the County following the entry of a judgment foreclosing the Special Assessment Parcel, or otherwise, and (B) if the City of Troy shall have been reimbursed in full for all Delinquent Payment Amounts that have been recovered from or charged back to the City of Troy, together with all interest and other amounts payable thereon, as provided in Section 4.05(c)(i), then the balance remaining in the Escrow Account, if any, net of any amounts on deposit in the Escrow Account representing investment earnings on funds in the Escrow Account, shall be paid over to the Lender. [All amounts received by the Lender pursuant to the provisions of this Section 4.05(c)(ii) shall be credited against unpaid installments of the Special Assessment and interest due on the Special Assessment Roll in the manner specified in the Loan Documents.]

(iii) All investment earnings on funds credited to the Escrow Account shall be deposited in the General Fund of the City of Troy or as otherwise determined by the Treasurer of the City of Troy, and the Lender shall have no right or interest in any of such investment earnings.

It is understood and agreed by the Lender that the County is not obligated to maintain or continue a delinquent tax revolving fund for the payment of delinquent taxes or assessments, and that the City of Troy can make no representation that such a delinquent tax revolving fund will be maintained or continued or that the Treasurer of the County will purchase any Delinquent Payment Amount returned by the City of Troy in accordance with the provisions of the City Charter and the General Property Tax Act.

(d) In the event that any interest (other than interest on the Special Assessment Roll payable by the Property Owner pursuant to Section 4.01(b)), penalties, fees or other charges shall be imposed upon the Special Assessment Parcel or against the Special Assessment Roll or the amount of any unpaid Special Assessment pursuant to the City Charter of the City of Troy or the General Property Tax Act, either by the City of Troy or by the County, for the administration, billing, collection or enforcement of the Special Assessment created hereby, such amounts shall remain a debt of the Property Owner to the City of Troy or the Treasurer of the County, as their interests may appear, and shall not be deemed to have been assigned to the Lender pursuant to the terms of this Agreement or otherwise.

Section 4.06 Prepayment of Special Assessment. Subject to the provisions of the Loan Documents, including, without limitation, applicable prepayment penalties, the Property Owner may, upon sixty (60) days' written notice to the Lender and the City of Troy, prepay any installment of the Special Assessment specified in the Payment Schedule by causing to be paid to the Lender the amount of the installment to be prepaid, together with accrued interest thereon to the date of prepayment. If such prepayment of any installment is not received by the Lender on the date specified for prepayment, the Lender shall promptly deliver written notice to the City of Troy that such prepayment was not received by the Lender.

Section 4.07 Invalidity; Cure. In the event of any invalidity of the Special Assessment, the Authorized Official, at the request of the Lender, and if the City of Troy shall have received indemnity satisfactory to the Authorized Official for its costs and expenses (including reasonable attorneys' fees), shall, to the extent permitted by law, cause a new Special Assessment to be made for all or any part of the Improvements in accordance with Act 270 and the PACE Program, and the Property Owner, on behalf of itself and its successors in interest, lessees, purchasers, and assigns, hereby waives any objections to and agrees to the imposition of such new Special Assessment; *provided, however,* that the amount of the new Special Assessment shall not exceed the unpaid principal amount of the Loan at the time the new Special Assessment shall be established.

ARTICLE V CONDITIONS PRECEDENT

Section 5.01 Conditions Precedent to the City of Troy's Obligations.

The obligations of the City of Troy under this Agreement shall be subject to the satisfaction of the following conditions precedent prior to or contemporaneously with the execution and delivery of this Agreement by the City of Troy:

(a) The City of Troy, the Property Owner and the Lender shall have authorized, executed and delivered this Agreement and all approvals required hereby shall have been secured.

(b) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Property Owner or the City of Troy is a party, or shall be threatened in writing against the Property Owner or the City of Troy, contesting the validity or binding effect of this Agreement, the Special Assessment or the Owner-Arranged Financing contemplated hereby, or which, if adversely decided, could have a material adverse effect upon the ability of the Property Owner to pay or the City of Troy to levy the Special Assessment or to assign to the Lender the right to receive payments of the Special Assessment, or which could have a material adverse effect on the ability of the Property Owner of the City of Troy to comply with any of the obligations and terms of this Agreement.

(c) There shall be no ongoing breach of any of the covenants and agreements of the Property Owner required to have been observed or performed by the Property Owner under the terms of this Agreement and no Event of Default by the Property Owner, and no event which, with the passage of time or the giving of notice or both could become an Event of Default by the Property Owner under this Agreement, shall have occurred.

(d) All documents, schedules, materials, maps, plans, descriptions and related matters which are contemplated to be made Appendices to this Agreement shall have been fully completed by the Property Owner to the City of Troy's reasonable satisfaction and such Appendices shall be true, accurate and complete.

(e) The Property Owner shall meet all eligibility requirements as set forth in **Appendix D**.

(f) The Property Owner and the Lender shall have authorized, executed and delivered the Loan Documents, and the Lender shall have funded the Loan in accordance with the terms of the Loan Documents.

(g) The City of Troy shall have received an opinion of counsel to the Property Owner, acceptable in form and substance to the City of Troy, as to the matters set forth in the representations of the Property Owner contained in subsections (a) through (d) of Section 6.02 hereof.

(h) The Property Owner shall not have filed for bankruptcy or sought the protections of any state or federal insolvency law providing protections to debtors.

(i) All fees of the City of Troy's counsel, and the fees of any other professional engaged by the City of Troy with respect to the execution and delivery of this Agreement, shall have been paid by the Property Owner.

(j) The Property Owner shall have obtained the consent of each holder of a mortgage interest in the Special Assessment Parcel prior to or contemporaneously with the execution and delivery of this Agreement in substantially the form set forth in the PACE Program Report.

**ARTICLE VI
REPRESENTATIONS AND WARRANTIES**

Section 6.01 Representations and Warranties of the City of Troy.

The City of Troy represents and warrants to the Property Owner and the Lender that:

(a) The execution and delivery of this Agreement has been duly authorized by the City of Troy, and this Agreement constitutes a valid and binding agreement of the City of Troy, enforceable against the City of Troy in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principals of equity, including those relating to equitable subordination.

(b) Neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated herein is in violation of any provision of any existing law, ordinance, rule, resolution or regulation to which the City of Troy is subject, or any agreement to which the City of Troy is a party or by which the City of Troy is bound, or any order or decree of any court or governmental entity by which the City of Troy is subject.

Section 6.02 Representations and Warranties of the Property Owner.

The Property Owner represents and warrants to the City of Troy and the Lender that:

(a) The Property Owner is duly organized and validly existing as a INSERT STATE NAME AND TYPE OF LEGAL ENTITY (IE LLC) in good standing under the laws of the State of Michigan, with power under the laws of the State of Michigan to carry on its business as now being conducted, and is duly qualified to do business in the State of Michigan; and the Property Owner has the power and authority to own the Special Assessment Parcel and to carry out its obligation to complete the Improvements.

(b) The execution and delivery of this Agreement will not result in a violation or default by the Property Owner of any provision of its Articles of Organization or Operating Agreement, or under any indenture, contract, mortgage, lien, agreement, lease, loan agreement, note, order, judgment, decree or other instrument of any kind or character to which it is a party and by which it is bound, or to which it or any of its assets are subject.

(c) The Property Owner is the sole and exclusive legal and equitable title owner of fee simple title to the Special Assessment Parcel and the Improvements located, or to be located, thereon and has full legal power and authority to consent to the finalization and levying of the Special Assessment as provided herein.

(d) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action, and this Agreement has been duly executed and delivered by the Property owner and constitutes a valid and binding agreement enforceable against the Property Owner in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or

other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

(e) The Property Owner, the Special Assessment Parcel and the Improvements satisfy all of the PACE Program eligibility requirements set forth in **Appendix D**.

Section 6.03 Representations and Warranties of the Lender.

The Lender represents and warrants to the City of Troy that:

(a) The Lender is an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended, and is capable of evaluating the merits and risks of its participation in the Owner-Arranged Financing contemplated by this Agreement.

(b) The Lender has made its own independent investigation of the Property Owner, the terms of this Agreement, the nature of the Special Assessment created hereby and the procedures for the collection and enforcement of the Special Assessment under this Agreement and the laws of the State of Michigan, and is not relying on the City of Troy, its officers, agents, attorneys or employees for any of such information or with respect to the sufficiency and scope of such investigation. The Lender has not received, and is not relying on, any representations of the City of Troy with respect to the Property Owner.

**ARTICLE VII
DEFAULT**

Section 7.01 Property Owner Event of Default. If the Property Owner shall default in the performance of any covenant or agreement contained in this Agreement and such default shall continue for a period of ten (10) days after written notice thereof has been given to the Property Owner by the City of Troy, an "Event of Default" shall be deemed to have occurred under this Agreement.

Section 7.02 Remedies for Property Owner Event of Default. Upon the occurrence of an Event of Default as provided in Section 7.01 hereof, the City of Troy, after giving written notice as required, without further notice of any kind, and in addition to all other rights and remedies provided at law or in equity, shall be entitled to seek and obtain a decree of specific performance of this Agreement from a court of competent jurisdiction or to recover from the Property Owner any damages incurred by the City of Troy and any costs incurred by the City of Troy in enforcing or attempting to enforce this Agreement or the Special Assessment, including attorneys' fees and expenses. Notwithstanding the foregoing, the parties hereto acknowledge and agree that the City of Troy shall not be obligated to institute any of the actions or proceedings or to exercise any of the remedies authorized by this Section 7.02 upon the occurrence of an Event of Default hereunder, and that its obligations with respect to the billing, collection and enforcement of the Special Assessment or any installment thereon shall be limited to those obligations set forth in Article IV of this Agreement. The Lender acknowledges that neither the Special Assessment nor any installment thereon can be accelerated, and that the amount payable to the Lender under the terms of this Agreement is limited to the amount of the

installments of the Special Assessment required to be paid by the Property Owner pursuant to this Agreement, whether in accordance with the Payment Schedule or upon prepayment of the Special Assessment in whole or in part in accordance with Section 4.06 of this Agreement, together with all payments of interest due and payable on the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, as provided in Section 4.01(b) of this Agreement.

Section 7.03 City of Troy Default. If the City of Troy shall default in the performance of any covenant or agreement on its part contained in this Agreement and shall fail to proceed in good faith to cure such default within sixty (60) days after written notice thereof has been received by the City of Troy from the Property Owner or the Lender, a “City Default” shall be deemed to have occurred under this Agreement.

Section 7.04 Remedy for City Default. Upon the occurrence of a City Default as provided in Section 7.03 hereof, and if the Lender shall have otherwise fully performed all of its obligations hereunder, the Lender, after giving written notice as required, without further notice or demand, shall be entitled to seek and obtain a decree of specific performance from a court of competent jurisdiction; but neither the Property Owner nor the Lender shall have the right to seek to recover money damages against the City of Troy, including any costs or fees (including attorneys’ fees) incurred by the Property Owner or the Lender in enforcing or attempting to enforce this Agreement. Neither the occurrence of a City Default nor the institution of any proceeding or the exercise of any remedy upon the occurrence of a City Default shall negate or diminish the obligations of the Property Owner hereunder to pay the installments of the Special Assessment and interest accrued on the Special Assessment Roll and all other costs hereunder when the same shall become due and payable.

Section 7.05 Waiver. Failure of any party hereunder to act upon discovery of a default or to act upon the existence of an Event of Default shall not constitute a waiver of the right to pursue the remedies provided herein.

ARTICLE VIII MISCELLANEOUS

Section 8.01 Term. Except as otherwise provided in this Agreement, the terms of this Agreement shall commence on the date first written above and shall terminate at such time as the Special Assessment liability shall have been fully satisfied as provided in Section 4.03(e) hereof.

Section 8.02 Assignment.

(a) Except as otherwise provided herein and as provided in Section 8.02(b) hereof, no party to this Agreement may transfer, assign or delegate to any other person or entity all or any part of its rights or obligations arising under this Agreement without the prior written consent of the other parties hereto excepting as otherwise expressly provided herein.

(b) The Lender and its successors and assigns may assign its rights in this Agreement and in the Special Assessment, in whole but not in part; *provided, however*, that any such assignment shall be made only in accordance with applicable law; *and provided further*,

Section 8.04 Amendment and Waiver No amendment or modification to or of this Agreement shall be binding upon any party hereto until such amendment or modification is reduced to writing and executed by each party hereto. No waiver of any term of this Agreement shall be binding upon any party until such waiver is reduced to writing, executed by the party to be charged with such waiver, and delivered to the other parties hereto.

Section 8.05 Entire Agreement. This Agreement constitutes the entire agreement between the City of Troy, on the one hand, and the Lender and the Property Owner, on the other hand. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, between the City of Troy, on the one hand, and the Lender or the Property Owner, on the other hand.

Section 8.06 Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

Section 8.07 Captions. The captions and headings in this Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of this Agreement.

Section 8.08 Applicable Law. This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan.

Section 8.09 Mutual Cooperation. Each party to this Agreement shall take all actions required of it by the terms of this Agreement as expeditiously as possible and shall cooperate to the fullest extent possible with the other parties to this Agreement. Each party to this Agreement shall exercise reasonable diligence in reviewing, approving, executing and delivering all documents necessary to accomplish the purposes and intent of this Agreement. Each party to this Agreement also shall use its best efforts to assist the other parties to this Agreement in the discharge of its obligations hereunder and to assure that all conditions precedent to the financing arrangements are satisfied.

Section 8.10 Binding Effect; No Third-Party Beneficiary. This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns. In no event shall the provisions of this Agreement be deemed to inure to the benefit of or be enforceable by any third party.

Section 8.11 Force Majeure. No party hereto shall be liable for the failure to perform its obligations hereunder if said failure to perform is due to Force Majeure. Said failure to perform shall be excused only for the period during which the event giving rise to said failure to perform exists; *provided, however*, that the party seeking to take advantage of this Section shall notify the other party in writing, setting forth the event giving rise to said failure to perform, within ten (10) business days after the occurrence of said event.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the City of Troy, INSERT NAME OF LENDER, and INSERT NAME OF BORROWER/PROPERTY OWNER have caused this PACE Special Assessment Agreement to be duly executed and delivered as of the date first written above.

Witnessed:

INSERT NAME OF PROPERTY OWNER

By: _____

Its:

Signature of:

Witnessed:

City of Troy, Michigan
Municipal corporation

By: _____

Its: City Manager

Signature of:

By: _____

Its: City Clerk

Signature of:

Signature of:

Witnessed:

INSERT NAME OF LENDER

By: _____

Its:

Signature of:

State of Michigan)
) ss
County of Oakland)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____ the Authorized Signatory of INSERT NAME OF PROPERTY OWNER.

Notary Public
_____ County, Michigan
My commission expires _____

State of Michigan)
) ss
County of Oakland)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by, the City Manager and _____, the City Clerk of the City of Troy, , on behalf of the City of Troy.

Notary Public
_____ County, Michigan
My commission expires _____

State of _____)
) ss
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____ the Authorized Signatory of INSERT NAME OF LENDER, on behalf of INSERT NAME OF LENDER.

Notary Public
_____ County, _____
My commission expires _____

APPENDIX A

**SPECIAL ASSESSMENT PARCEL WHICH IS
ENCUMBERED BY THE SPECIAL ASSESSMENT ROLL**

Parcel

Tax Parcel I.D. No.: _____.

APPENDIX B

DESCRIPTION OF IMPROVEMENTS

APPENDIX C

PAYMENT SCHEDULE*

Date of
Principal
Installment

Amount of
Principal
Installment

*This schedule includes principal of the Special Assessment only. Interest will be calculated as set forth in the Loan Documents and the City of Troy is entitled to conclusively rely on the amount due on each payment date as determined by the Lender in accordance with this Agreement.

APPENDIX D

PROGRAM ELIGIBILITY REQUIREMENTS

Property is privately owned commercial or industrial real property within Troy's jurisdictional boundaries, which may be owned by any individual or private entity, whether for-profit or non-profit. MCL 460.933(g). Multi-family residential property is included in the definition of commercial property.

There are no delinquent taxes, special assessments, or water or sewer charges on the property. The Authorized Official at his or her discretion, may disqualify properties that although not currently delinquent, have been delinquent within six months of the application's submission. MCL 460.941(2)(a).

There are no delinquent assessments on the property under a PACE program. MCL 460.941(2)(b).

The term of assessment shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years. Projects that consist of multiple energy efficiency improvements or renewable energy systems with varying lengths of useful life may blend the lengths to determine an overall assessment term that does not exceed the useful life of the improvements in aggregate. MCL 460.939(i).

An appropriate ratio must be determined for the amount of assessment in relation to the assessed value of the property. In calculating the appropriate ratio, the parties may use either: 1) the market value of the property before the PACE project; or 2) the expected post-PACE project market value of the property — including the value of the project.

- If the parties calculate an appropriate ratio pre-project, energy projects shall generally not exceed 25% of market value of the property prior to the PACE project as agreed to by the parties using a proper measure such as a recent appraisal or two times the State Equalized Value.
- If the parties calculate an appropriate ratio that includes the value of the PACE project, total indebtedness of the property shall not exceed the market value of the property prior to the PACE project as agreed to by the parties using a proper measure such as a recent appraisal or two times the State Equalized Value, plus 75% of the value of the PACE project. MCL 460.939(j).

Written consent from the mortgage holder must be obtained if the property is subject to a mortgage. MCL 460.939(k).

A baseline energy audit must be conducted for the property that is approved by LEP and the Authorized Official. Such approval may be granted retroactively if the audit meets the standards of LEP. MCL 460.939(o).

For projects financed for more than \$250,000, a performance guarantee must be provided by the contractor(s) to guarantee a savings to investment ratio greater than one (1). MCL 460.939(p). The performance guarantee must meet the standards set by LEP.

For projects financed for more than \$250,000, an agreement for ongoing verification and measurement of energy savings that meet standards set by LEP. MCL 460.939(p).

APPENDIX E

SPECIAL ASSESSMENT ROLL

APPENDIX F

CERTIFICATE OF ASSIGNMENT

[FORM TO BE ATTACHED]



CITY COUNCIL AGENDA ITEM

Date: January 21, 2015

To: City Council

From: Brian Kischnick, City Manager
Tom Darling, Financial Services Director
Kurt Bovensiep, Public Works Manager

Subject: Spring 2016 Local Road Concrete Segment Replacement & Budget Appropriation

History

Improvements to infrastructure have been recognized as a top priority to the City of Troy as indicated in City Councils' 2015-16 Top Ten Strategies, "Improve and invest in our assets, both people and infrastructure". The city's Local and Major Road Slab Replacement Program is an example of the city's effort to maintain high quality roads. **Since 2012**, the City of Troy has invested over \$33 million in road improvements for local and major roads. The attached map demonstrates this work in blue. The focus over the last several years has been on both County and City Major Roads. The city will move this focus to where the residents live, Local Roads.

Currently, the City of Troy's contractor DiLisio Contracting has completed its contract for this fiscal year by completing all local and major roadwork by November 2015. DiLisio's prices do not expire until June 30, 2016, which presents an opportunity to use supplementary and carryover funds this spring at current year's pricing. The city's consultant Hubbell Roth & Clarke provided an analysis that indicates construction pricing will likely continue to increase over the next several years. This presents an opportunity for the City of Troy to have an additional \$2.5 million worth of work completed on local roads while taking advantage of 2015 pricing with supplementary and carryover funds. Proposed work is illustrated on the attached map in green and indicates some of the current road conditions.

The City of Troy will continue to move forward with improving the city's infrastructure in spring/summer of 2016, which includes improvements on Major and Local Roads. Major Road projects include Wattles Road asphalt resurfacing from Rochester Road to Dequindre and asphalt resurfacing on South Boulevard with intersection improvements on Rochester Road at South Boulevard. With a heavy emphasis on Major Roads in the last few years, the management strategy will begin concentrating on our neighborhood streets, which include asphalt resurfacing and concrete segment replacement.

Financial

City Management advises the funds are available and requests the appropriation from the General Fund to the Capital Projects Fund.

Recommendation

City management recommends the budget reflect appropriations of \$2.5 million for Local Roads that includes supplementary and carryover funds from fiscal year 2014-15 and takes advantage of 2015 pricing for the city's Local Road Segment Replacement.

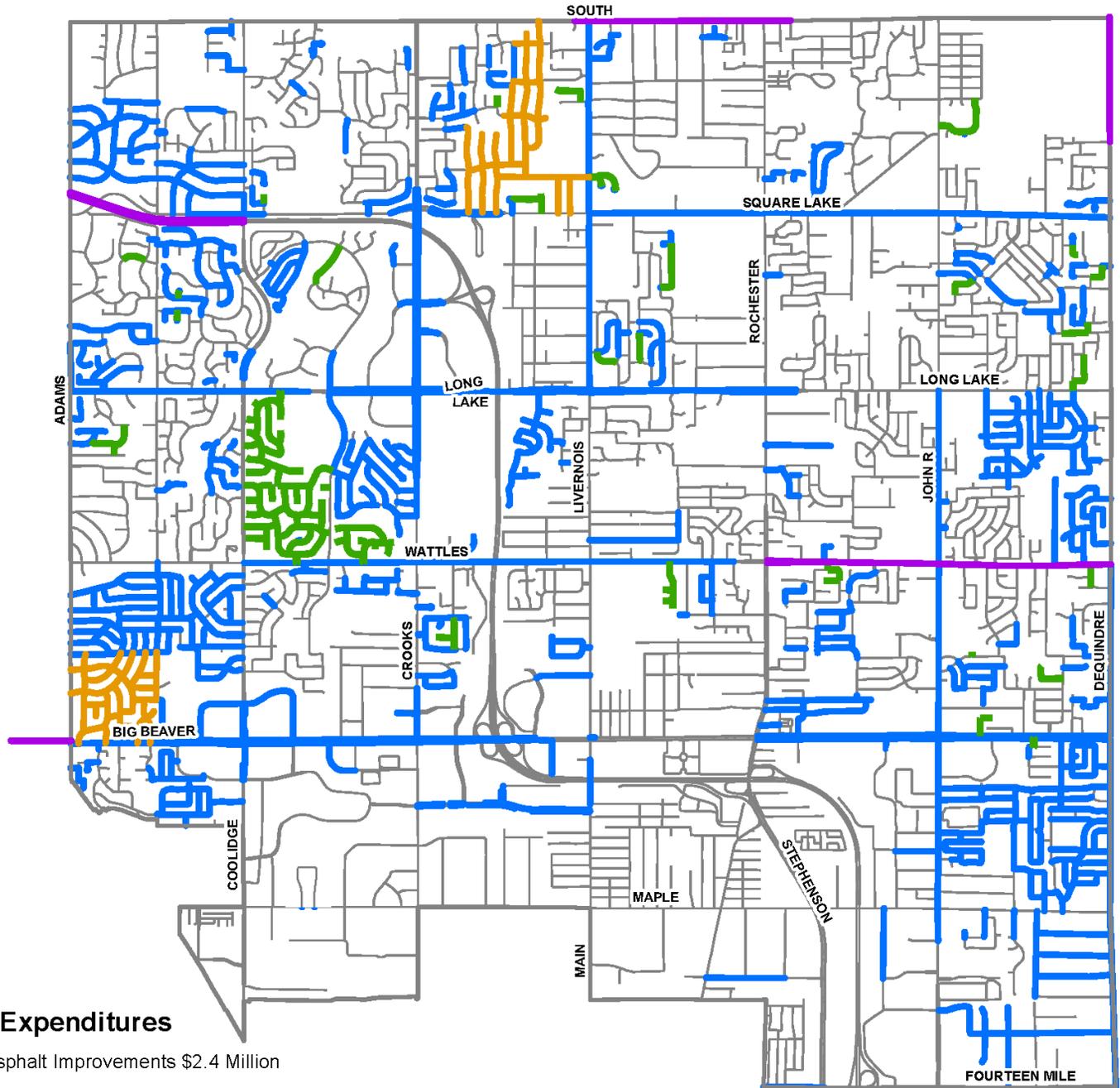
Continuous Infrastructure Improvements 2012 - 2016



Date: 1/22/2016

Road Repair Expenditures

- Spring 2016 Asphalt Improvements \$2.4 Million
- Proposed Spring 2016 Concrete Improvements \$2.5 Million
- 2016 Major Road Improvements \$2.7 Million
- 2012 - 2015 Local and Major Road Improvements \$33.1 Million



Proposed Spring 2016 Improvements



SOUTH SOUTH



Road Repair Expenditures

Proposed Spring 2016 Improvements \$2,500,000



Date: 1/8/2016

A. CALL TO ORDER:

A Special Study Session of the Troy City Council was held on Monday, January 11, 2016, at the Troy Public Library, 510 W. Big Beaver Rd. Mayor Slater called the meeting to order at 6:00 PM.

B. ROLL CALL:

Mayor Dane Slater
Edna Abraham
Ethan Baker
Jim Campbell
Dave Henderson
Ellen Hodorek
Ed Pennington

C. DISCUSSION ITEMS:

C-1 Tour the Troy Public Library

City Manager Brian Kischnick commented on the millage renewal and congratulated Troy for approving it last November.

Mayor Slater commented that we've come a long way with showing the people that the library is important. He thanked Library Director Cathy Russ and Library Staff for their hard work. He added that he hopes legislators will correct the new legislation and allow municipalities and libraries to inform the public about millage proposals.

Library Director Cathy Russ thanked City Council and City Staff for coming to tour the Troy Public Library.

The library tour began at 6:04 PM.

Library Assistant Director Philip Kwik began the tour in the meeting room. Ms. Russ, Mr. Kwik and the Library staff conducted a tour of the Troy Public Library.

D. PUBLIC COMMENT: No Public Comment was received.

E. ADJOURNMENT:

The Meeting **ADJOURNED** at 6:57 PM.

Mayor Dane Slater

M. Aileen Dickson, MMC
City Clerk

A. CALL TO ORDER:

A Regular Meeting of the Troy City Council was held on Monday, January 11, 2016, at City Hall, 500 W. Big Beaver Rd. Mayor Slater called the meeting to order at 7:31 PM.

B. ROLL CALL:

Mayor Dane Slater
Edna Abraham
Ethan Baker
Jim Campbell
Dave Henderson
Ellen Hodorek
Ed Pennington

C. CERTIFICATES OF RECOGNITION AND SPECIAL PRESENTATIONS:

C-1 No Certificates of Recognition and Special Presentations

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 – Employee Retirement System Board of Trustees/Retiree Health Care Benefits Plan & Trust, Personnel Board, Southeastern Michigan Council of Governments (SEMCOG)

a) Mayoral Appointments: None

Resolution #2016-01-001
Moved by Slater
Seconded by Henderson

RESOLVED, That the Mayor of the City of Troy hereby **APPOINTS** the following nominated person(s) to serve on the Boards and Committees as indicated:

Planning Commission

Appointed by Mayor
9 Regular Members
3 Year Term

Term Expires: 12/31/2018

Michael Hutson

Term currently held by: Michael Hutson

Term Expires: 12/31/2018

Philip Sanzica

Term currently held by: Philip Sanzica

Term Expires: 12/31/2018

John Tagle

Term currently held by: John Tagle

Yes: All-7
No: None

MOTION CARRIED

b) City Council Appointments:

Resolution #2016-01-002
Moved by Pennington
Seconded by Abraham

RESOLVED, That Troy City Council hereby **APPOINTS** the following nominated person(s) to serve on the Boards and Committees as indicated:

Employee Retirement System Board of Trustees / Retiree Health Care Benefits Plan & Trust

Appointed by Council
7 Regular Members and 2 Ordinance Members
3 Year Term

Term Expiring: 12/31/2018

Mark Calice

Council Appointed Citizen

Term currently held by: Mark Calice

Southeastern Michigan Council of Governments (SEMCOG)

Appointed by Council
1 Regular and 1 Alternate
Appointed Every Odd-Year Election

Term Expires: 11/10/2017

Ed Pennington (Delegate)

Term currently held by: James Campbell

Term Expires: 11/10/2017

Mark Miller (Alternate)

Term currently held by: Mark Miller

Yes: All-7
No: None

MOTION CARRIED

I-2 Board and Committee Nominations: a) Mayoral Nominations – Board of Review, Local Development Finance Authority (LDFA), Planning Commission; b) City Council Nominations – Animal Control Appeal Board, Charter Revision Committee, Election Commission, Liquor Advisory Committee, Traffic Committee

a) Mayoral Nominations:

The Mayor took no action on this Item.

b) City Council Nominations:

Resolution #2016-01-003
Moved by Pennington
Seconded by Campbell

RESOLVED, That Troy City Council hereby **FORWARDS** the following nominated person(s) to serve on the Boards and Committees as indicated to the next Regular City Council Meeting for action:

Charter Revision Committee

Appointed by Council
7 Regular Members
3 Year Term

Term Expires: 4/30/2018

Mark Bartnik

Term currently held by: Maryann Bernardi

Election Commission

Appointed by Council
2 Regular Members and 1 Charter Member
1 Year Term

Term Expires: 1/31/2017

David Anderson

Term currently held by: David Anderson

Term Expires: 1/31/2017

Harry Philo

Term currently held by: Harry Philo

Liquor Advisory Committee

Appointed by Council
7 Regular Members
3 Year Term

Term Expires: 1/31/2019

Andrew Kaltsounis

Term currently held by: Andrew Kaltsounis

Yes: All-7
No: None

MOTION CARRIED

I-3 No Closed Session Requested

J. CONSENT AGENDA:

J-1a Approval of "J" Items NOT Removed for Discussion

Resolution #2016-01-004-J-1a
Moved by Henderson
Seconded by Hodorek

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 #2016-01-004-J-2

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

- a) City Council Minutes-Draft – December 14, 2015

J-3 Proposed City of Troy Proclamations: None Submitted

J-4 Standard Purchasing Resolutions:

- a) **Standard Purchasing Resolution 2: Award to Low Bidder Meeting Specifications – Structural Firefighting Turnout Gear**

Resolution #2016-01-004-J-4a

RESOLVED, That Troy City Council hereby **APPROVES** a contract to furnish two (2) year requirements for new structural firefighting turnout gear with the option to renew for one (1) additional year to the low bidder meeting specifications; *Apollo Fire Equipment Co. of Romeo, Michigan*, for an estimated total cost of \$112,914.60; at the unit prices contained in the bid tabulation opened December 10, 2015, a copy of which shall be **ATTACHED** to the original Minutes of this meeting; with contract expiring December 30, 2018.

BE IT FURTHER RESOLVED, That the award is **CONTINGENT** upon the contractor's submission of properly executed contract documents, including insurance certificates and all other specified requirements.

- b) **Standard Purchasing Resolution 2: Award to Low Bidder Meeting Specifications – Asphalt Patching Material - Cold**

Resolution #2016-01-004-J-4b

RESOLVED, That Troy City Council hereby **AWARDS** a seasonal contract for Asphalt Patching Material – Cold Patch to the low bidder, *Ace-Saginaw Paving Co, of Saginaw, MI*, for an estimated total cost of \$35,916.00, at the unit price per ton contained in the bid tabulation submitted December 3, 2015, a copy of which shall be **ATTACHED** to the original Minutes of this meeting, the cost of which **SHALL NOT EXCEED** annual budgetary limitations; with the contract expiring April 30, 2016.

BE IT FURTHER RESOLVED, That the award is **CONTINGENT** upon the contractor's submission of properly executed bid and proposal documents, including insurance certificates and all other specified requirements.

- c) **Standard Purchasing Resolution 4: Cooperative Contract Award – Michigan Intergovernmental Trade Network (MITN) – Gasoline and Diesel Fuel**

Resolution #2016-01-004-J-4c

RESOLVED, That Troy City Council hereby **AWARDS** two-year cooperative contracts to purchase gasoline and diesel fuel in truck transport and tank wagon deliveries with an option to renew for two (2) additional years from the low bidders meeting specifications – *RKA Petroleum Companies of Romulus, MI, Ports Petroleum Co., Inc. of Wooster, OH, and Atlas Oil Company of Taylor, MI*, as a result of a bid process through the City of Sterling Heights for MITN Purchasing Cooperative members including Troy at factors and prices contained in the bid tabulation opened October 31, 2015, a copy of which shall be **ATTACHED** to the original Minutes of this meeting; with a contract expiration of January 31, 2018.

d) Standard Purchasing Resolution 4: Award – MiDeal Cooperative and Macomb County Cooperative Purchasing Agreement - Fleet Vehicles

Resolution #2016-01-004-J-4d

RESOLVED, That Troy City Council hereby **APPROVES** a contract to purchase one (1) 2015 Jeep Grand Cherokee vehicle, two (2) 2016 SUV Ford Interceptors, and one (1) 2016 Dodge Charger from the low total bidder, *Bill Snethkamp Dodge of Lansing, MI*, as per the MiDeal Cooperative Bid, Contract ID number (Bid # 071B1300010) and *Signature Ford Lincoln of Owosso, MI*, as per the Macomb County Cooperative Bid for an estimated total cost of \$112,448.00.

J-5 Standard Purchasing Resolution 4, Bid Waiver and Budget Amendment – City Hall Upgrade

Resolution #2016-01-004-J-5

BE IT RESOLVED, That Troy City Council hereby **WAIVES** the competitive bid process and **AWARDS** a contract to furnish all equipment, material and labor to install the technology upgrade which includes TVs, a projector, screen, equipment and wiring in the Council Chambers to *Advanced Lighting and Sound of Troy, MI* in the total amount of \$23,416.00.

BE IT FURTHER RESOLVED, That Troy City Council **APPROVES** an amendment to the Capital Project Fund Budget in the amount of \$30,000.00 for the City Manager Office Area upgrades and **AWARDS** a contract to furnish and install flooring for the City Manager's Office Area for an estimated total amount of \$16,799.17 as per the NJPA Shaw Carpet Cooperative Contract #022712.

BE IT FINALLY RESOLVED, That the contract is **CONTINGENT** upon contractor's submission of properly executed bid and contract documents, including insurance certificates, and all other specified requirements.

J-6 Bid Waiver – Pelco Camera System Upgrade for the Troy Public Library

Resolution #2016-01-004-J-6

WHEREAS, The Police Department upgraded its video security camera system to the Pelco Endura enterprise camera system, anticipating a city wide expansion and has been utilizing the maintenance services of SimplexGrinnel since 2005 (CC 2005-12-557-F10) with the original

access control system being installed during the Police and Fire building renovation and addition project; and,

WHEREAS, Due to the complexity of the system and the knowledge that is required and necessary for the total ongoing integration of the integrated security management system; an *ongoing* proprietary service agreement with *SimplexGrinell of Farmington Hills, MI*, to provide materials and labor to maintain the Integrated Security Management System was approved by City Council February 16, 2009, (CC# 2009-02-047-F-04d);

NOW, BE IT RESOLVED, That Troy City Council hereby **WAIVES** formal bidding procedures and **AUTHORIZES** the City of Troy to utilize the ongoing contract with *SimplexGrinell of Farmington Hills, MI*, an authorized licensed installer in Michigan, to purchase and install the Pelco Endura Camera System at the Troy Public Library at an estimated cost of \$45,297.00, as detailed in the quotation; which shall be **ATTACHED** to the original Minutes of this meeting.

THEREFORE, BE IT FINALLY RESOLVED, That Troy City Council **APPROVES** the budget amendment transferring \$45,300.00 from the Library Fund to the Capital Projects Fund where the funds will be expended.

J-7 MDOT Contract 2014-0871 Amendment A1 – Priority Roads Investment Program Fund Asphalt Resurfacing – Long Lake, Adams to Northfield Parkway

Resolution #2016-01-004-J-7

RESOLVED, That Troy City Council hereby **APPROVES** MDOT Contract No. 2014-0871 Amendment A1 between the City of Troy and the Michigan Department of Transportation for improvements to Long Lake Road, from Adams Road to Northfield Parkway using \$1,500,000 in Priority Roads Investment Program (PRIP) funds at no cost to the City of Troy, and **AUTHORIZES** the Mayor and City Clerk to execute the documents, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

K. MEMORANDUMS AND FUTURE COUNCIL AGENDA ITEMS:

K-1 Announcement of Public Hearings: None Submitted

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:

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

N. COUNCIL REFERRALS:

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

N-1 No Council Referrals**O. COUNCIL COMMENTS:****O-1 Council Comments**

Council Member Henderson commented that Troy Historical Village is celebrating their 50th Anniversary. Membership applications are available at www.troyhistoricvillage.org.

Council Member Hodorek commented expressing concerns with the Flint water supply and any impacts this may have on Troy water. Mayor Slater asked if there are any concerns with backflow. City Manager Kischnick indicated that a report from the DPW will be on the January 25, 2016 Agenda.

Council Member Campbell commented that the apartments and townhomes at Town Center and Livernois will be ready in 2017. It is the consensus of City Council to request City Administration have the Amber company come back with a report to City Council.

Council Member Pennington commented on the tour of the new DMC Children's Hospital and that it is a beautiful facility.

Council Member Hodorek commented on a letter to Chief Mayer and appreciates teams in Troy who work to build relations in the City.

Council Member Abraham commented on Item P-5 on an open house informational meeting to discuss the construction on Dequindre.

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

- a) Zoning Board of Appeals-Final – October 20, 2015
- b) Employees' Retirement System Board of Trustees-Final – November 11, 2015
- c) Planning Commission-Draft – December 8, 2015
- d) Planning Commission-Final – December 8, 2015
- e) Zoning Board of Appeals-Draft – December 15, 2015
- f) Planning Commission-Draft – December 22, 2015

Noted and Filed

P-2 Department Reports:

- a) Building Department Activity Report – December, 2015
- b) Letter of Recognition for Aileen Dickson, City Clerk, from Monica Martinez Simmons, International Institute of Municipal Clerks President, Recognizing Aileen Dickson in her Designation of Master Municipal Clerk (MMC)
- c) 2015 Fourth Quarter Litigation Report

Noted and Filed

P-3 Letters of Appreciation:

- a) To Chief Roberts from Marc Radecky Regarding Appreciation for Department Response
- b) To Chief Mayer from Brenda Balas Regarding Appreciation of Community Programs
- c) To Chief Roberts and the Troy Firefighters from Joy Stockamp Regarding Citizens Police Academy Participation
- d) To Employees and Patrons of the Troy Public Library from the American Red Cross
- e) To City Council and Staff from the Troy Historical Society Regarding CDBG Funds Being Used to Improve Accessibility at the Troy Historical Village
- f) To Chief Roberts from Julie Senkowski Regarding Firefighter Presentation at their Child Care Center

Noted and Filed

P-4 Proposed Proclamations/Resolutions from Other Organizations: None Submitted

P-5 Road Commission for Oakland County – Public Information Meeting – January 13, 2016 for Planned Dequindre Reconstruction

Noted and Filed

Q. 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):

R. CLOSED SESSION:

R-1 No Closed Session

S. ADJOURNMENT:

The Meeting **ADJOURNED** at 7:48 PM.

Mayor Dane Slater

M. Aileen Dickson, CMC
City Clerk



CITY COUNCIL AGENDA ITEM

Date: January 18, 2016

To: Brian Kischnick, City Manager

From: Tom Darling, Director of Financial Services
MaryBeth Murz, Purchasing Manager
Steve Pallotta, Building Operations Director
Gert Paraskevin, Information Technology Director

Subject: Standard Purchasing Resolution 4 – Cooperative Contract Award – IT Data Center Air Conditioner

History

May 14, 2007 City Council approved renovations for the Finance and Information Technology Departments (Resolution #2007-05-153). That renovation included the creation of a separate room with appropriate environmental controls to establish a proper IT Data Center. This room houses a majority of the servers in City Hall, data storage systems, network equipment and the telephone system. At that time Building Operations installed a 5-ton residential **comfort style** air conditioning unit to cool the room.

This unit has served us well for the past eight (8) and a half years but has reached its life expectancy. Industry averages suggest that under normal circumstances such an air conditioning unit should last 10-15 years. However, because it runs 24 hours a day, 7 days a week, which equates to approximately 75,000 hours of continuous operation, it is going to be well below industry averages. Building Operations currently maintains the unit and they respond very quickly and keep spare parts on hand in the event of a failure. However, due to the constant use, failures will and have occurred. Should the current air conditioning system breakdown for any length of time, we would have to shut down all systems until the repairs are complete or until we could install rental A/C units. This would severely impact staff and our ability to service residents and businesses. The comfort style air conditioning system also has no provision for controlling humidity levels within the data center. The current moisture levels have resulted in some corrosion of equipment affecting operation and life expectancy.

An alternative to a comfort cooling system is a **precision cooling** system designed specifically for the type of cooling a data center requires. The high sensitivity of electronic components in a data center means that temperature, humidity, air movement and air cleanliness must be kept consistent and within specific limits to prevent premature equipment failures and costly downtime.

Liebert manufactures such precision cooling systems and they are available under a State of Michigan contract. Management proposes to install a precision cooling system as a preventative measure to ensure our critical infrastructure housed in the IT Data Center does not experience an outage related to any environmental factors. This new air conditioning unit would also be much more efficient, and since the amount of equipment in the room has decreased over time, we can



CITY COUNCIL AGENDA ITEM

downgrade to a 3-ton unit rather than the current 5-ton unit. The comfort cooling system would not be removed, but would serve as a backup system should that ever be necessary.

Purchasing

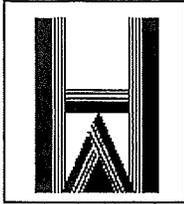
Hendrick Associates of Grand Rapids, MI; a dealer for Liebert Equipment is the awarded bidder from the MiDeal State of Michigan Purchasing Cooperative Contract #071B0200175. The contract includes the purchase, maintenance and support of Liebert equipment.

Financial

Funds are available in the Information Technology capital budget for the 2015/2016 fiscal year and designated as project number 20160004. Future maintenance will be funded by the Information Technology operating budget.

Recommendation

City Management requests authorization to purchase and install one (1) 3-Ton Liebert Datamate 10KW precision cooling system from Hendrick Associates of Grand Rapids, MI through the MiDeal State of Michigan Purchasing Cooperative Contract #071B0200175 for an estimated total amount of \$39,966.00 as per attached proposal number 2159802R3; which includes a five (5) year warranty on the AC compressor parts, and a one (1) year warranty on all project parts and labor. Annual maintenance would be approximately \$2,739.00. The award would be contingent upon the company's submission of required insurance certificates and permits.



HEDRICK ASSOCIATES

2360 OAK INDUSTRIAL DR. NE
GRAND RAPIDS, MI 49505
(616) 454-1218 FAX: (616) 454-5336
email huffmank@hedrickassoc.com



COMPANY:	CITY OF TROY	PROPOSAL #:	2159802R3
ATTN:	GERT PARASKEVIN gert@troymi.gov	PAGES:	1 of 1
FAX:	EMAILED	DATE:	Oct 26, 2015
FROM:	KARL HUFFMAN		
PROJECT:	SERVER ROOM AC SYSTEM UPGRADES MIDEAL / MICHIGAN DMB STATE CONTRACT # 071B0200175		

We propose the following AC system upgrades with piping & electrical system upgrades for this project: **New 3 TON DATAMATE 10 KW AC System including the following material & services:**

- Nominal 10kW cooling at approximately 85F, 30% RH; 208 - 230 Voltage, 1 phase, 60 Hz
- Condensate Pump System; Electric Reheat and Steam Canister Humidification System included
- Hi Efficiency Air Cooled Condenser Model Number: PFH037A
- 208-230V/1ph/60Hz 95F Ambient Standard Sound Selection
- Liebert LCD control system with temperature alarm system
- Wall mounted temperature sensor to measure air temperature
- Adjustable supply air system; scroll, variable capacity compressor utilizing R-407C
- Crankcase compressor heater; Compressor Capacity control included
- Evaporator Type: slab, copper tubes - aluminum fins
- High temp alarm; Hot air low return with top front cold air discharge
- AC unit mounted LCD controller: Ethernet Web card option for remote monitoring included
- One remote shutdown terminal One alarm contact
- The Liebert WEB Card with HTML GUI display included
- Front service and maintenance access only
- Installation casters with leveling feet; Powder coated panels
- Certified installation by Liebert approved technicians / engineers is included; See scope of work attached
- Factory Certified Liebert Service Engineers located in Detroit, Lansing, & Grand Rapids,
- Installation labor with Receiving / unloading / moving / & Electrical wiring is included

TOTAL COST OF ABOVE AC SYSTEM UPGRADES INCLUDING FREIGHT: \$39,966.00

NOTE: Annual Maintenance Contract Cost is \$2,739.00 by DES Electric. Freight & delivery cost is included in all above. This proposal is valid for 90 days. Payment terms are net 30 days from date of invoice. Freight cost is included F.O.B. Shipping points. Taxes are not included. Warranty is five years on AC compressor parts; one year on all project parts & labor.

Thank you for giving us this opportunity to work with you on this project!

Sincerely,

Karl E. Huffman

KARL E. HUFFMAN

huffmank@hedrickassoc.com

1.) This quotation is subject to the manufacturers product warranty(ies) and Michigan State Contract Terms and Conditions . 2.) All purchase orders are to be made out to Hedrick Associates.



CITY COUNCIL ACTION REPORT

December 23, 2015

TO: Brian Kischnick, City Manager

FROM: Tom Darling, Director of Financial Services
Nino Licari, City Assessor

SUBJECT: Agenda Item – 2016 Poverty Exemption Guidelines (changes from previous year)

History:

MCL 211.7u states: *"The real property of persons who in the opinion of the Supervisor (read Assessor for Cities) and Board of Review by reason of poverty are unable to contribute toward the public charges is exempt from taxation under this act."*

In order to grant a Poverty Exemption, the Michigan Tax Tribunal (MTT) has ordered that each community develop a set of guidelines to determine whether the applicant qualifies for a one (1) year exemption from property taxes. (The exemption may be re-applied for each year)

The State Tax Commission (STC) has ruled that the Income Guidelines that are used as a portion of the guidelines may not be less than the Federal Poverty Guidelines established each year. Those guidelines have increased approximately 1.7% on average per set for 2016 (last year saw a 1.3% increase).

As the guidelines include an Assessed Value limit, a Total Asset limit, and changes to the Federal Poverty Income Guidelines, Council is presented with updated guidelines each year for their approval.

The total asset limit, which includes the value of the home, is \$277,232, based on the estimated 6% average residential value increase we expect to see this year in Troy.

Financial Considerations:

- There were 11 exemptions applied for in 2015 at the March Board of Review. All were granted, totaling \$812,370 in Taxable Value (T/V). This amounts to \$8,527.77 in exempted City taxes.

Since 2002, residents have been allowed to apply for Poverty Exemptions at the July and December Boards of Review.

This year, there were 5 exemptions granted (of 8) at the July Board (\$294,860 T/V), and 0 at the December Board. These additional exemptions accounted for exempted Taxable Value of \$294,860, and exempted City taxes of \$3,095.26.

The total loss of City taxes for Poverty Exemptions in 2015 was \$11,623.03.

Legal Considerations:

- The guidelines are required by the MTT and STC. The attached guidelines meet the requirements of these rulings.

Policy Considerations:

- The guidelines are a State mandated requirement. They do not conform to current Council goals.

Options:

- Council must adopt Poverty Guidelines. Council may adopt the guidelines as presented, or modify them

Size of Family Unit	Poverty Guidelines
1	\$ 11,770
2	\$ 15,930
3	\$ 20,090
4	\$ 24,250
5	\$ 28,410
6	\$ 32,570
7	\$ 36,730
8	\$ 40,890
For each additional person	\$4,160

Note: PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available. Please see STC Bulletin 5 of 2012 for more information on poverty exemptions.

Note: P.A. 135 of 2012 changed the requirements for filing documentation in support of a poverty exemption to allow an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This does include the owner of the property who is filing for the exemption.

C. Multipliers for the Valuation of Free-Standing Communication Towers.

The State Tax Commission recommends that, subject to the qualifications stated below, communication towers should be valued for the 2016 assessment year using the table of **historical** (original cost when the tower was new) cost valuation multipliers set forth in the multiplier table below. These multipliers have been developed in a manner such that they account for the typical depreciation which is expected for a tower of the indicated age and also account for changes in the cost of the tower and erecting it that have occurred since the time the tower was constructed. On this basis, the multiplier table which is shown below is intended to predict the current true cash value of a tower of the vintage year in which the tower was constructed. An important component in determining the current value of a tower built in a given year is the change in the cost of materials, particularly changes in the cost of steel, between the time of construction and the current Tax Day. Since the table considers both depreciation and changes in construction costs, and since changes in construction cost have not always occurred at a constant rate, the multiplier table does not always evidence a decline in the rate by which the historical cost must be adjusted in order to determine current value. This effect is expected and can be better understood if one remembers that the multiplier table is not a depreciation table and the multipliers are applied to the historic cost of construction, not to the current replacement cost.

**POVERTY EXEMPTION GUIDELINES
INCOME STANDARDS 2016**

The following are the Poverty thresholds as of 12/31/15 for use in setting Poverty Exemption Guidelines for **2016** assessments:

Number of Persons	Poverty
<u>Residing in Homestead</u>	<u>Threshold</u>
1 Person	\$11,770
2 Persons	15,930
3 Persons	20,090
4 Persons	24,250
5 Persons	28,410
6 Persons	32,570
7 Persons	36,730
8 Persons	\$40,890
9 Persons (or more) add \$4,160 for each additional person	

CITY OF TROY
POVERTY EXEMPTION GUIDELINES – 2016

MCL 211.7u *The real property of persons who in the judgment of the Supervisor and Board of Review by reason of poverty are unable to contribute toward the public charges is exempt from taxation under this Act.*

The City of Troy's standard for approving an exemption under the statute is based on an individual determination of hardship.

This is an exemption from taxes. If you claim poverty under the statute, you must file your claim with a Poverty Exemption Affidavit. This exemption is good for one year.

- STANDARD #1** Applicants must file a Poverty Exemption Affidavit in order to be considered for any exemption. Documentation such as, Federal/State Income Tax Forms, Homestead Property Tax Credit, W-2 Forms, Deeds or Land Contracts and personal identification is **mandatory**, and must be attached to the Affidavit.
- STANDARD #2** A Poverty Exemption will not be granted if the household income is greater than the Income Standards Guideline.
- STANDARD #3** A Poverty Exemption will not be granted if the Assessed Value of the home exceeds \$138,616.
- STANDARD #4** Applicants total assets cannot exceed \$277,232. This includes the value of your home.

*The Board of Review may require a home audit and inspection, done by the Assessing Department, as part of the exemption process.

* **The income of every person residing at the home must be reported.**

POVERTY EXEMPTION AFFIDAVIT (for 2016 A/V Year)

(Address)

(Sidwell #)

1. Household Income: List all prior year income from:

- a) Wages/Tips _____
- b) Social Security _____
- c) Soc. Sec. for resident minors _____
- d) Pensions _____
- e) Interest/Dividends _____
- f) Unemployment Compensation _____
- g) Sub-Pay _____
- h) Workman's Compensation _____
- i) Aid to Dependent Children _____
- j) Medical Disability Benefits _____
- k) Lottery/Contest/Raffle _____
- l) Annuities _____
- m) Governmental Assistance _____
- n) Insurance/Lawsuit Payouts _____
- o) Alimony/Child Support _____
- p) Rental Income _____

2. Supplemental Assistance: List monthly amount of:

- a) Food Stamps _____
- b) Surplus Food _____
- c) Transportation _____

3. Residence Information:

- Is your home paid for? Yes____ No____
If No:
What is your mortgage/land contract balance? _____
What is your monthly payment? _____
Who holds your mortgage/land contract? _____
Do you own any other property? Yes____ No____
If Yes: Attach a copy of your last tax bill.

4. Employment information:

- Are you or your spouse currently employed?
Self: Yes____ No____ Spouse: Yes____ No____
Are you or your spouse unable to work (disability, etc.) ?
Self: Yes____ No____ Spouse: Yes____ No____
If Yes: Is this condition permanent?
Self: Yes____ No____ Spouse: Yes____ No____
Provide medical documentation of the disability.

5. Children/Relatives/Boarders:

How many children, relatives, or non-related boarders share your home? _____

Do any of the above, or anyone outside of your home, contribute Financially to your living expenses? Yes ___ No ___

If Yes: How much: per month _____ year _____

6. Transportation:

Do you own any automobiles? Yes ___ No ___

If Yes: Please provide the following information:

Year & Make	Price to you	Balance	Monthly payment
_____	_____	_____	_____
_____	_____	_____	_____

7. Additional Assets:

Please provide information about any additional assets listed.

Checking Account: Yes ___ No ___ Current Balance _____

Savings Account: Yes ___ No ___ Current Balance _____

I.R.A. Yes ___ No ___ Current Balance _____

Keogh Yes ___ No ___ Current Balance _____

Deferred Comp Yes ___ No ___ Current Balance _____

Annuities Yes ___ No ___ Current Balance _____

Stocks/Bonds/Funds Yes ___ No ___ Current Balance _____

Money Market Yes ___ No ___ Current Balance _____

Treasury Bills Yes ___ No ___ Current Balance _____

Savings Bonds Yes ___ No ___ Current Balance _____

8. Attach copies of the following:

- a) Federal Income Form
- b) State Income Tax Form
- c) Homestead Property Tax Credit form
- d) Property Tax Credit Form
- e) W-2 Forms
- f) Copy of Deed or Land Contract
- g) Identification: Driver's License
- h) A listing of your household living expenses for the prior year. (examples: heat, electric, insurance, etc.)

You must provide proof of income and other records of all residents of the dwelling to be considered for an exemption.

I (We), _____ [print name(s)]
the undersigned, do hereby affirm that the above information is,
to the best of my (our) knowledge, true.

(Signed) Phone Number

(Signed) Phone Number

Subscribed and sworn to me this _____ day of _____, _____.
My commission expires _____
Notary Public _____

APPROVED:	NOT APPROVED:
Assessor: _____	Assessor: _____
Board Chairperson _____	Board Chairperson _____
Board Member _____	Board Member _____
Board Member _____	Board Member _____

Year _____ Assessment _____ Board of Review A/V _____

For a March Board of Review Appeal, please submit by March 15
For a July Board of Review Appeal, please submit by July 18
For a December Board of Review Appeal, please submit by
December 12.



CITY COUNCIL AGENDA ITEM

Date: December 23, 2015

To: Brian Kischnick, City Manager

From: Tom Darling, Director of Financial Services
Nino Licari, City Assessor

Subject: Revocation of Plant Rehabilitation Exemption Certificate (PREC) for Meritor Heavy Vehicles, LLC (Meritor) at 2135 W. Maple

Background:

On January 24, 2011 City Council established an Industrial Development District (IDD) at 2135 W. Maple. At that same meeting City Council granted an Industrial Facilities Exemption Certificate (IFEC) for Personal Property investments, and a Plant Rehabilitation Exemption Certificate (PREC) for real property renovations at the site.

The PREC works by freezing the existing Taxable Value of the real property for 12 years. The rehabilitation value (\$6.4 million in this case) is then exempt for the same 12 year period, and pays no taxes. This is the benefit received by the applicant.

In this case, Meritor was agreeing to freeze their real property value for 12 years, just 1 year into the recession.

The company had until 12/31/2014 to demonstrate a good faith effort to move forward with the project. To date, no real property improvements have occurred. Investments in personal property have occurred, which would leave the IFEC in effect.

The business case for the renovations to the facility did not come to fruition. Meritor has abandoned plans for renovation and expansion. They have formally requested that their PREC be revoked, and that their frozen Taxable Value be returned to the Ad Valorem roll.

As the renovations have not proceeded in a timely matter, this request to revoke by Meritor allows both Meritor and the City to avoid a formal revocation process.

Recommendation:

Staff recommends that the City Council approve the attached Resolution to Revoke.

Nino A Licari

From: Kilborn, Cheryl A.
Sent: Monday, December 21, 2015 1:40 PM
To: Nino A Licari
Cc: Sohm, Krista; Williams, Octavio
Subject: Industrial Facility Exemption Certificate 2011-058

To: Mr. Licari, the City of Troy Assessor

This email is written to request that the City of Troy rescind the Industrial Facility Exemption Certificate numbered 2011-058 issued to Meritor Heavy Vehicle Systems, LLC, located in the City of Troy, Oakland County, Michigan and return the property to the ad valorem roll. **Certificate # is 2011-059. NL 12.23.15**

This certificate was issued at the meeting of the Troy City Council on Oct. 31, 2011. The original request was based on Meritor pursuing an advanced engineering project for which business conditions have changed and therefore we are no longer engaged.

On behalf of Meritor, we appreciate the support of the City of Troy and the State of Michigan in helping us secure this certificate. We are requesting that this Certificate be rescinded so that this funding may be pursued by companies who qualify.

Sincerely,

Cheryl Kilborn

MERITOR

Cheryl Kilborn
Director, Corporate Communications and Public Relations
248.435.7907 office
248.225.7686 mobile

Meritor, Inc.
2135 W. Maple Road
Troy, MI 48084
U.S.A.

RECEIVED
DEC 21 2015
CITY OF TROY
ASSESSING DEPT.

This e-mail message and any attachments may contain legally privileged, confidential or proprietary Information, or information otherwise protected by law of Meritor, Inc., its affiliates, or third parties. This notice serves as marking of its "Confidential" status as defined in any confidentiality agreements concerning the sender and recipient. If you are not the intended recipient(s), or the employee or agent responsible for delivery of this message to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this e-mail message is strictly prohibited. If you have received this message in error, please immediately notify the sender and delete this e-mail message from your computer.

Nino A Licari

To: Kilborn, Cheryl A.
Cc: Sohm, Krista; Williams, Octavio
Subject: RE: Industrial Facility Exemption Certificate 2011-058

Ms. Kilborn,

Thank you for the communication as to the status of your tax abatement.

I will request that the City Council of the City of Troy rescind the current Plant Rehabilitation Abatement, so we may place the real property back on the ad valorem roll. I am certain that this will actually lower the taxes that Meritor is currently paying.

I hope to have this request before Council in January, and have the approved Resolution forwarded directly to the State Tax Commission for the agreement.

Feel free to contact me with any questions.

Nino Licari | City Assessor

City of Troy | 500 W. Big Beaver, Troy, MI 48084 | Office: 248.524.3305 | troymi.gov  

"We believe a strong community embraces diversity, promotes innovation, and encourages collaboration. We strive to lead by example within the region. We do this because we want everyone to choose Troy as their community for life. We believe in doing government the best."



CITY COUNCIL AGENDA ITEM

Date: January 13, 2016

To: Honorable Mayor and City Council

From: Brian Kischnick, City Manager
Jeanette Menig, Human Resources Director

Subject: Consideration of part-time employment under City Charter Anti-Nepotism provision

Section 5.16(b) of Troy City Charter addresses the requirements regarding the employment of individuals related to the elected officials or the City Manager (bold highlight added):

Section 5.16 - Anti-Nepotism:

- (a) The spouses of any elected official or of the City Manager are disqualified from holding any appointive office or employment during the term for which said elected official was elected or during the tenure of office of the City Manager.
- (b) **The following relatives** and their spouses of any elective official or of his spouse or of **the City Manager or his spouse are disqualified from holding any appointive office or employment** during the term for which said elective official was elected or **during the tenure of office of the City Manager, except with the concurring vote of six Councilmen**: child, grand-child, **parent**, grand- parent, brother, sister, half-brother, half-sister. All relations shall include those arising from adoption.
- (c) This Section shall in no way disqualify such spouses, relatives or their spouses who are bona-fide appointive officers or employees of the City at the time of the election of said elective official or the appointment of said City Manager.

Valerie Gale, the mother-in-law of City Manager Brian Kischnick, has been identified as a qualified candidate for the position of part-time Library Aide.

Before the Human Resources Department proceeds with the remaining selection processes (a physical exam, drug screen and criminal history/background check), we request confirmation that Ms. Gale would be eligible for employment under provisions of Section 5.16.



CITY COUNCIL AGENDA ITEM

Date: January 15th, 2016

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic and Community Development
Steven J. Vandette, City Engineer

Subject: Private Agreement – Contract for Installation of Municipal Improvements
Evangel Baptist Church Building Addition - Project No. 15.910.3

History

Evangel Baptist Church of Troy proposes to develop The Evangel Baptist Church Building Addition located at 2900 Lovington Drive, Troy, MI 48083.

Troy Planning Commission recommended preliminary site plan approval on July 14th, 2015.

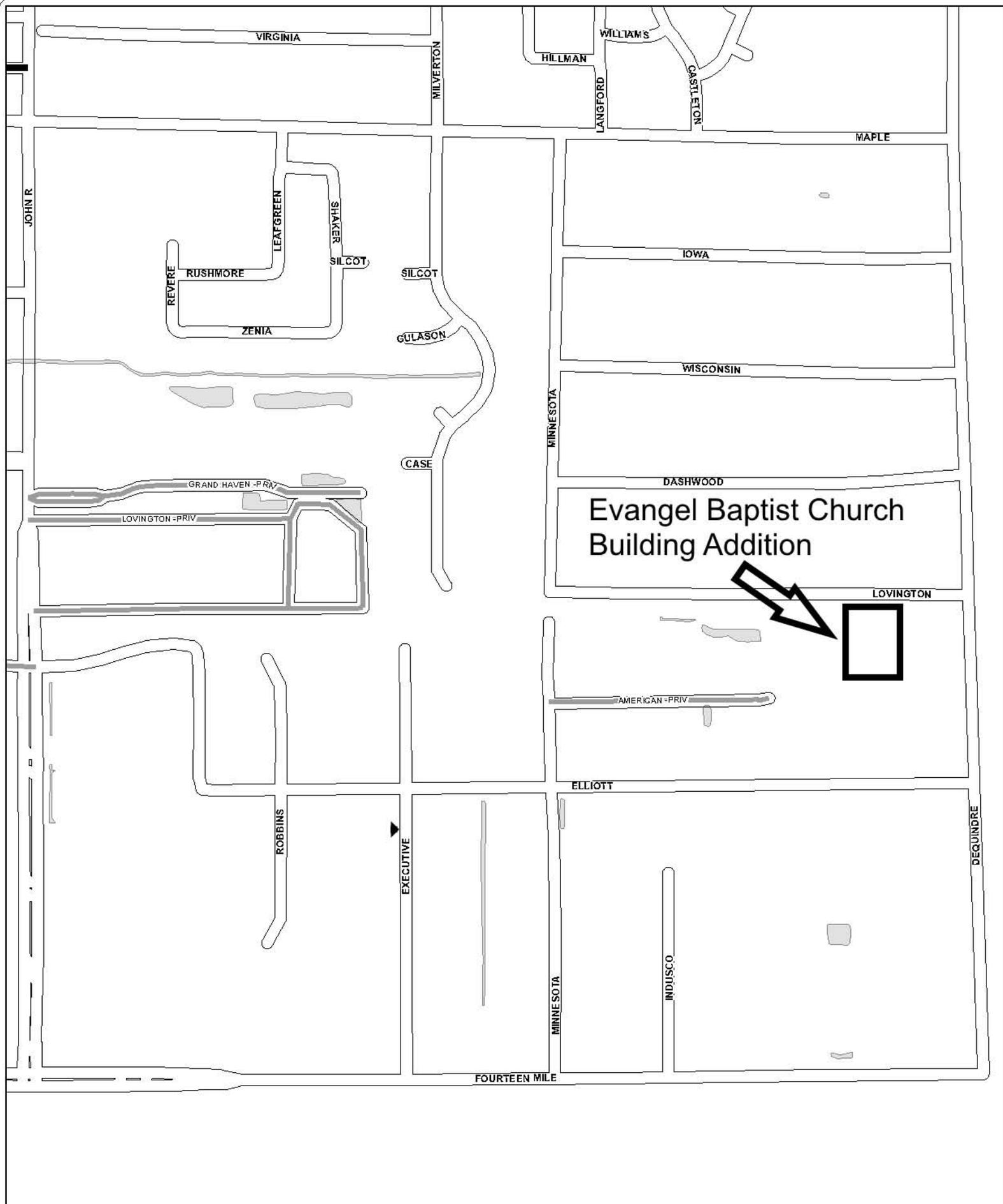
Site grading and utility plans for this development were reviewed and recently approved by the Engineering Department. The plans include municipal improvements which will be constructed by Evangel Baptist Church of Troy on behalf of the City of Troy: including Water Main and Storm Sewer Connections. The required fees and refundable escrow deposits in the form of a Certificate of Deposit and 10% Cash, that will assure completion of the municipal improvements, have been provided by Evangel Baptist Church of Troy (see attached Private Agreement).

Financial

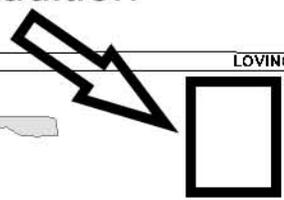
See attached summary of required deposits and fees for this Private Agreement.

Recommendation

Approval of the Contract for Installation of Municipal Improvements (Private Agreement) is recommended.



Evangel Baptist Church
Building Addition



City Of Troy

Contract for Installation of Municipal Improvements (Private Agreement)

Project No.: **15.910.3**

Project Location: **SE 1/4 Section 36**

Resolution No:

Date of Council Approval:

This Contract, made and entered into this **15th** day of **January, 2016** by and between the City of Troy, a Michigan Municipal Corporation of the County of Oakland, Michigan, hereinafter referred to as "City" and **Evangel Baptist Church of Troy** whose address is **2900 Lovington Dr., Troy, MI 48083** and whose telephone number is **248-361-6161** hereinafter referred to as "Owners", provides as follows:

FIRST: That the City agrees to permit the installation of **Water Main and Storm Sewer Connections** in accordance with plans prepared by **CJP Engineering & Design, LLC** whose address is **28777 Northwestern Hwy, Suite 225, Southfield, MI 48034** and whose telephone number is **248-747-4562** and approved prior to construction by the City in accordance with City of Troy specifications.

SECOND: That the Owners agree to provide the following securities to the City prior to the start of construction, in accordance with the Detailed Summary of Required Deposits & Fees (attached hereto and incorporated herein):

Refundable escrow deposit equal to the estimated construction cost of \$ **25,625.00**. This amount will be deposited with the City in the form of (check one):

Cash/Check	<input type="checkbox"/>	} 10% Cash <u>2,563.00</u>
Certificate of Deposit & 10% Cash	<input checked="" type="checkbox"/>	
Irrevocable Bank Letter of Credit & 10% Cash	<input type="checkbox"/>	
Performance Bond & 10% Cash	<input type="checkbox"/>	

Refundable cash deposit in the amount of \$ **7,563.00**. This amount will be deposited with the City in the form of (check one):

Cash	<input type="checkbox"/>	Check	<input checked="" type="checkbox"/>
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Non-refundable cash fees in the amount of \$ **3,726.00**. This amount will be paid to the City in the form of (check one):

Cash	<input type="checkbox"/>	Check	<input checked="" type="checkbox"/>
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Said refundable escrow deposits shall be disbursed to the Owners after approval by the City. The City reserves the right to retain a minimum of ten (10) percent for each escrowed item until the entire site/development has received final inspection and final approval by all City departments. Refundable cash deposits shall be held until final approval has been issued. Disbursements shall be made by the City within a reasonable time, after request for refund of deposits is made by the Owners.

City Of Troy

Contract for Installation of Municipal Improvements (Private Agreement)

THIRD: The owners shall contract for construction of said improvement with a qualified contractor. Owners, or their agents, and contractor(s) agree to arrange for a pre-construction meeting with the City Engineer prior to start of work. All municipal improvements must be completely staked in the field under the direct supervision of a registered civil engineer or registered land surveyor, in accordance with the approved plans. Revisions to approved plans required by unexpected or unknown conflicts in the field shall be made as directed by the City.

FOURTH: Owners agree that if, for any reason, the total cost of completion of such improvements shall exceed the sums detailed in Paragraph SECOND hereof, that Owners will immediately, upon notification by the City, remit such additional amounts in accordance with Paragraph SECOND hereof. In the event the total cost of completion shall be less than the sums as detailed in Paragraph SECOND hereof, City will refund to the Owners the excess funds remaining after disbursement of funds.

FIFTH: Owners agree to indemnify and save harmless City, their agents and employees, from and against all loss or expense (including costs and attorneys' fees) by reason of liability imposed by law upon the City, its agents and employees for damages because of bodily injury, including death, at any time resulting therefrom sustained by any person or persons or on account of damage to property, including work, provided such injury to persons or damage to property is due or claimed to be due to negligence of the Owner, his contractor, or subcontractors, employees or agents, Owner further agrees to obtain and convey to the City all necessary easements and/or right-of-way for such public utilities as required by the City Engineer.

City Of Troy

**Contract for Installation of Municipal Improvements
(Private Agreement)**

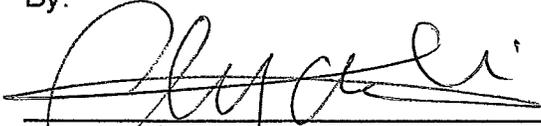
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in duplicate on this 15th day of January, 2016.

OWNERS

CITY OF TROY

By:

By:



AMGAD BESHAI
Please Print or Type

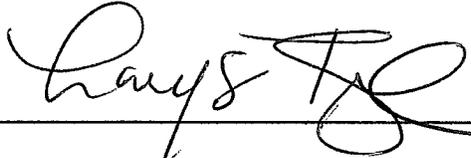
Dane M. Slater, Mayor

Please Print or Type

M. Aileen Dickson, City Clerk

STATE OF MICHIGAN, COUNTY OF OAKLAND

On this 15th day of January, A.D. 2016, before me personally appeared Amgad Beshai known by me to be the same person(s) who executed this instrument and who acknowledged this to be his/her/their free act and deed.



NOTARY PUBLIC, Oakland County, Michigan

LARYSA FIGOL
Notary Public, Oakland County, Michigan
Acting in Oakland County, Michigan
My Commission Expires 03/02/2018

My commission expires: _____

Detailed Summary of Required Deposits & Fees
Evangel Baptist Church Building Addition
15.910.3

ESCROW DEPOSITS (PUBLIC):

Storm Sewer Connections	\$2,000
Water Mains	\$23,625
TOTAL ESCROW DEPOSITS (Refundable):	<u>\$25,625</u>

CASH FEES (Non-Refundable):

Engineering Review Fee (Private Improvements)(PA1)	\$2,507
Water Main Testing and Chlorination (PA 2)	\$650
Plan Review and Construction Inspection Fee (Public Improvements) (PA1)	\$2,076
Less Initial Engineering Review Fee (Public & Private)(1.1%)	-\$1,507
TOTAL CASH FEES (Non-Refundable):	<u>\$3,726</u>

CASH DEPOSITS (Refundable):

Street Cleaning/Road Maintenance	\$2,500
Soil Erosion/Sedimentation Control Repair, Replace, or Maintenance	\$2,500
Punchlist & Restoration	\$2,563
TOTAL CASH DEPOSITS (Refundable):	<u>\$7,563</u>

Total Escrow & Cash Deposits (Refundable):	<u>\$33,188</u>
Total Cash Fees (Non-Refundable):	<u>\$3,726</u>
Total Amount:	<u>\$36,914</u>

PAID
JAN 15 2016
CITY OF TROY
TREASURER'S OFFICE



Certificate of Deposit Receipt

ACCOUNT TITLE
EVANGEL BAPTIST CHURCH OF TROY

ACCOUNT NUMBER 010-007-7475618

DEPOSIT AMOUNT \$25,625.00

TERM 180 Days

ISSUE DATE 01/14/2016

ADDRESS

2900 LOVINGTON DR
TROY, MI 48083-4478
United States/US Territories

MATURITY DATE 07/12/2016

TYPE OF MATURITY Automatically Renewable

TAX PAYER ID NUMBER XX-XXX6173

INTEREST RATE 0.02%

ACCOUNT PURPOSE Business

ANNUAL PERCENTAGE YIELD 0.02%

TYPE OF OWNERSHIP Business

INTEREST COMPOUNDING Daily

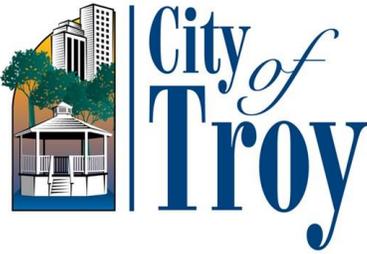
ISSUED BY JPMorgan Chase Bank, N.A. (021)
Metro Pkwy and Mound
60
JACK ROUMIEH
(586) 264-4498
01/14/2016

PAYMENT FREQUENCY At maturity

INTEREST PAYMENT METHOD Capitalize

THIS ACCOUNT IS NONNEGOTIABLE AND NONTRANSFERABLE. This receipt is provided solely for your convenience as an initial record of the account terms reflected on the books and records of JPMorgan Chase Bank, N.A. (the Bank), as of the date hereof. It is not an instrument, note or security and is not required to be surrendered to the Bank as a condition for redemption or withdrawal. You acknowledge receipt of the Bank's *Deposit Account Agreement* or other applicable account agreement, which includes all provisions that apply to this deposit account and the Bank Privacy Policy, and agree to be bound by the terms and conditions contained therein as may be amended from time to time.

Penalty for Early Withdrawal



CITY COUNCIL AGENDA ITEM

January 21, 2016

TO: Brian Kischnick, City Manager
FROM: Thomas Darling, Director of Financial Services
SUBJECT: City of Troy Investment Policy and Establishment of Investment Accounts

History

The current investment policy was initially approved in December, 2014. The current policy has served us well and is in compliance with Act 20 PA 1943, as amended.

Financial

We would also like to update our resolution authorizing the establishment of investment accounts at the following institutions: Comerica; Bank of America; Charter One; Independent Bank; First Michigan Bank; Talmer Bank & Trust; Fifth Third Bancorp; Flagstar Bank; Huntington Bancshares; JP Morgan Chase & Co.; Merrill Lynch; Michigan Class-MBIA; Bank of NY Mellon; Morgan Stanley Smith Barney; PNC Financial Services; Private Bancorp; and TCF National Bank.

This policy is established in order to provide for the safety and diversification of investment accounts.

Legal Considerations

The investment policy is in compliance with Act 20 PA 1943, as amended.

Recommendation

It is recommended that City Council approve the attached investment policy and listing of approved investment institutions.

CITY OF TROY INVESTMENT POLICY
To Comply with Act 20 PA 1943, as amended

Purpose: It is the policy of the City of Troy to invest its funds in a manner which will provide a high level of security of principal while meeting the daily cash flow needs of the City and providing a reasonable rate of return along with compliance with all State statutes.

Scope: This investment policy applies to all financial assets of the City. These assets are accounted for in the various funds of the City and include the general fund, special revenue funds, debt service funds, and capital project funds (unless bond ordinances and resolutions are more restrictive), enterprise funds, internal service funds, trust and agency funds, and any new fund established by the City.

Objectives: The primary objectives, in priority order, of the City's investment activities shall be:

Safety – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Diversification – The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investment – The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Delegation of Authority to Make Investments: Authority to manage the investment program is derived from the following: City of Troy City Council's most current resolution establishing investment accounts (2013-02-30). Management responsibility for the investment program is hereby delegated to the Director of Financial Services who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to safekeeping, cash purchase or delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. No

person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Financial Services. The Director of Financial Services shall be responsible for all transactions undertaken and shall establish a system of controls. The Investment Policy shall be reviewed and approved by the City Council annually.

List of Authorized Investments: The Director of Financial Services is limited to investments authorized by Act 20 of 1943, as amended, and may invest in the following:

- (a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- (b) Certificates of deposit, savings accounts, deposit accounts, or depository of a financial institution. Authorized depositories shall be designated by the City of Troy City Council.
- (c) Commercial paper rated at the time of purchase with the highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- (d) Repurchase agreements consisting of instruments listed in (a).
- (e) Bankers' acceptances of United States banks.
- (f) Obligations of this state or any of its political subdivisions that at the time of purchase are rated investment grade by not less than one standard rating service.
- (g) Investment pools through an interlocal agreement under the urban cooperation act of 1967, 1987 (Ex Sess) PA 7, MCL 124.501 to 124.512
- (h) Investment pools organized under the surplus funds investment pool act, 1982 PA 367, 129.111 to 129.118.
- (i) The investment pools organized under the local government investment pool act, 1986 PA 121, MCL 129.141 to 129.150.

Safekeeping and Custody: All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Director of Financial Services may be on a cash basis or a delivery vs. payment basis as determined by the Director of Financial Services. Securities may be held by a third party custodian designated by the Director of Financial Services and evidenced by safekeeping receipts as determined by the Director of Financial Services.

Prudence: Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.



CITY COUNCIL AGENDA ITEM

Date: January 20, 2016

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic & Community Development
R. Brent Savidant, Planning Director

Subject: ANNOUNCEMENT OF PUBLIC HEARING (FEBRUARY 8, 2016) – ZONING ORDINANCE TEXT AMENDMENT (File Number ZOTA 248) – Woodland Protection

This item was initiated by the Planning Commission who recognized that the Zoning Ordinance does not regulate woodland protection.

The provisions were discussed by the Planning Commission at previous meetings. The proposed provisions were created specifically for Troy; they are not cookie-cutter. The Woodland Protection provisions are intended to strike a balance between development and private property rights and protection of Troy's valuable natural resources, community character, and property values.

Draft amendments include the following:

- Tree mitigation is required. Tree preservation is incentivized but not required.
- Tree mitigation applies to any property that requires site plan approval.
- Tree mitigation shall not apply to single-family developments that do not require site plan approval.
- Exceptions are provided for dead/dying/diseased trees and non-desirable/invasive species.
- The provisions recognize that all applications and site conditions are different and allow for flexible and creative approaches for tree management.

The Planning Commission held a public hearing on this item on December 22, 2015, and recommended approval of the text amendment with a 7-0 vote. The attached PowerPoint presentation that was presented at the public hearing provides additional background.

A public hearing for this item is scheduled for the February 8, 2016 City Council Regular meeting.

Approved as to form and legality:

Lori Grigg Bluhm, City Attorney

Attachments:

1. Zoning Ordinance Text Amendment Public Hearing Draft
2. PowerPoint Presentation
3. Planning Commission minutes from December 22, 2015 Regular meeting (excerpt)

CITY OF TROY

AN ORDINANCE TO AMEND
CHAPTER 39 OF THE CODE
OF THE CITY OF TROY
CITY COUNCIL PUBLIC HEARING DRAFT

The City of Troy ordains:

Section 1. Short Title

This Ordinance shall be known and may be cited as an amendment to Chapter 39, Zoning Ordinance, of the Code of the City of Troy.

Section 2. Amendment

Chapter 39 of the Code of the City of Troy is amended as follows:

Revise Section 8.05.A to read as follows:

9. A tree ~~inventory preservation plan~~ in accordance with Article 13 ~~the City of Troy Landscape Design and Tree Preservation Standards~~ shall be attached to all applications for Site Plan Approval. This requirement may be waived by the Zoning Administrator, in those instances where the Topographic Survey and/or other written information provided by the applicant demonstrate that the nature of the site is such that a tree inventory Tree Preservation Plan would not be applicable, or would serve no practical purpose.
10. A landscape plan prepared in conformance with Article 13 ~~the City of Troy's Landscape Design and Tree Preservation Standards~~.

Add Section 13.07 to read as follows:

Section 13.07: Woodland Protection:

- A. Purpose and Intent. It is the intent of these regulations to help prevent unregulated and, in many cases, unnecessary removal of trees and related natural resources. The protection of trees, woodlands and woodland resources will promote the preservation of important physical, aesthetic, recreational and economic assets for both present and future generations. Specifically, it is found that:
 1. Trees and woodlands provide for public welfare and safety through the reduction of erosion, siltation, and flooding;
 2. Trees and woodlands help protect water quality by protecting groundwater recharge areas, reducing risk of groundwater contamination and maintaining base flows in streams and rivers, thus reducing the risk of

- degrading vegetation, wildlife, wetlands and surface water systems throughout the city;
3. Trees and woodlands increase the economic value of land for most uses;
 4. Tree and woodland growth protects public health through the absorption of air pollutants and contamination and reduces carbon dioxide content of the ambient air; and
 5. Tree and woodland growth serves as an essential component of the general welfare of the City by maintaining natural beauty, recreation, and natural heritage.

The purpose of this section is as follows:

1. To encourage the preservation of trees and related natural resources of the woodland ecosystem on undeveloped and underdeveloped land and in connection with the development of land;
2. To provide for the protection, preservation, proper maintenance and use of trees and woodlands in order to minimize damage from erosion and siltation, loss of wildlife and vegetation, and/or from the destruction of the natural habitat;
3. To protect trees and woodlands (including woodland resources) for their economic support of local property values when allowed to remain uncleared and/or unharvested in whole or in significant part, and for their natural beauty, character, and ecological or historical significance; and
4. To provide for the paramount public concern for these natural resources in the interest of the health, safety and general welfare of the residents of the City, consistent with Article II, Section 201 of the Michigan Zoning Enabling Act of 2006, and in keeping with Article IV, Section 52 of the Michigan Constitution of 1963 and the intent of the Michigan Natural Resources and Environmental Protection Act, PA 451 of 1994.

B. Applicability:

1. The provisions of tree protection shall apply prospectively to all parcels in the City where site plan review is required as set forth in Section 8.02, and any Subdivision as set forth in Chapter 41 of the City Code.
2. If it is determined that based on associated historical aerial photographs or other evidence, an owner or developer of property required to comply with this section has removed or cleared protected trees within five (5) years of the time of site plan or subdivision approval , the Planning Commission may require the property owner or developer to install additional landscaping as required by the site plan or subdivision approval and to offset the impact of the new development upon adjacent properties.

C. Protected Trees as Defined:

1. Landmark Tree: A woody plant, in a healthy, live condition (has a health and condition standard factor of over 50% based on standards established by the International Society of Arboriculture). The following species that meet the minimum size (DBH) requirement are considered landmark trees.

Common Name	Botanical Name	Size (inches)
Basswood	<i>Tilia</i>	18"
Beech, American	<i>Fagus grandifolia</i>	18"
Black Cherry	<i>Prunus serotina</i>	18"
Black Walnut	<i>Juglans nigra</i>	18"
Buckeye, Ohio	<i>Aesculus glabra</i>	18"
Douglas Fir	<i>Pseudotsuga menziesii</i>	18"
Fir	<i>Abies</i>	18"
Kentucky Coffeetree	<i>Gymnocladus dioicus</i>	18"
London Planetree/American Sycamore	<i>Platanus</i>	18"
Pine (All species)	<i>Pinus</i>	18"
Spruce	<i>Picea</i>	18"
Tulip Poplar	<i>Liriodendron tulipifera</i>	18"
Hickory	<i>Carya</i>	16"
Honey Locust	<i>Gleditsia tricanthos</i>	16"
Maple (Red)	<i>Acer rubrum</i>	16"
Maple (Sugar)	<i>Acer saccharum</i>	16"
Oak (All species)	<i>Quercus</i>	16"
Arborvitae	<i>Thuja</i>	12"

Bald Cypress	<i>Taxodium distichum</i>	12"
Birch	<i>Betula</i>	12"
Black Tupelo	<i>Nyssa sylvatica</i>	12"
Cherry, Flowering	<i>Prunus spp.</i>	12"
Crabapple/Hawthorne	<i>Malus/crataegus</i>	12"
Dawn Redwood	<i>Metasequoia glyptostroiboides</i>	12"
Ginkgo	<i>Ginkgo</i>	12"
Hackberry	<i>Celtis occidentalis</i>	12"
Hawthorn	<i>Crataegus</i>	12"
Hemlock	<i>Tsuga</i>	12"
Larch/Tamarack	<i>Larix</i>	12"
Magnolia	<i>Magnolia</i>	12"
Pear	<i>Pyrus spp.</i>	12"
Persimmon	<i>Diospyros virginiana</i>	12"
Sassafras	<i>Sassafras albidum</i>	12"
Sweetgum	<i>Liquidamber styraciflua</i>	12"
Yellow Wood	<i>Cladrastis lutea</i>	12"
Blue-Beech/Hornbeam	<i>Carpinus caroliniana</i>	8"
Butternut	<i>Juglans cinera</i>	8"
Cedar of Lebanon	<i>Cedrus spp.</i>	8"
Chestnut	<i>Castanea</i>	8"
Dogwood, Flowering	<i>Cornus florida</i>	8"
Hop-Hornbeam/Ironwood	<i>Ostrya virginiana</i>	8"

Maple, Mountain/Striped	<i>Acer spicatum/pensylvanicum</i>	8"
Paw Paw	<i>Asimina triloba</i>	8"
Redbud	<i>Cercis canadensis</i>	8"
Serviceberry	<i>Amelanchier</i>	8"
Any healthy tree with a DBH 24" or greater, (except invasive species), or a healthy tree of the species described above with the minimum DBH listed.		

2. Woodlands: Trees in a Woodland, which is defined as one-quarter (1/4) acre or more of contiguously wooded land where the largest trees measure at least six (6) inches in diameter at breast height (DBH). The acreage is to be measured from the dripline to dripline of trees on the perimeter. Contiguous shall be defined as the majority of the one-quarter (1/4) acre being under the vegetation dripline.

D. Tree Inventory. A Tree Inventory is required as a component of the preliminary site plan submission as set forth in Section 8, and any Subdivision as set forth Chapter 41 of the City Code.

1. Tree Inventory shall contain the following:
 - a. Location of all trees over six (6) inches in DBH.
 - b. Common and botanical names of all identified trees, their size in inches at their DBH, and a description of each tree's health.
 - c. Indication of all trees to be removed.
 - d. Indication of all trees to be preserved.
2. A Tree Inventory must be prepared by either a certified forester or Registered Landscape Architect.

E. Tree Replacement:

1. When as part of a site plan or subdivision approval the Troy Planning Commission authorizes the removal of Landmark Trees and trees within a Woodland, the removal shall be mitigated as follows:
 - a. Woodland Trees six (6) inches or larger DBH shall be mitigated by installation of replacement trees equal to a minimum of fifty percent (50%) of the original DBH removed.
 - b. Landmark Trees (including those located within Woodlands to be removed) shall be mitigated by installation of replacement trees equal to a minimum of one hundred percent (100%) of the original DBH of the tree(s) removed.
 - c. Replacement trees shall be non-sterile varieties of species native to southeast Michigan, and not prohibited by Chapter 28 of the City of

Troy ordinance. The minimum size of a deciduous replacement tree shall be two and one-half (2.5) inch caliper. The minimum size of a coniferous replacement tree shall be six (6) feet in height. Deciduous replacement of one-half (.5) caliper inch is equal to one foot in height for coniferous replacement.

2. A Tree Replacement Plan must be prepared by either a certified forester or Registered Landscape Architect. The property owner shall have the proposed Tree Replacement Plan approved by the Planning Commission.
3. These tree replacement requirements are separate from and in addition to the landscape requirements set forth in Article 13.02

F. Tree Replacement Alternatives:

1. Any identified Woodland and Landmark Tree that is retained onsite as part of the development may count towards two (2) times the inch for inch replacement requirement.
2. When reviewing site plans, the Planning Commission prioritizes Landmark and Woodland Tree protection and mitigation in order as follows:
 - a. Protecting and preserving existing onsite Landmark and Woodland Trees.
 - b. Providing all required mitigation on the site of development.
 - c. Paying into a tree fund, only if protecting and preserving on site, or mitigation on site has been explored by applicant and due to unique circumstance as outlined in section 3 below is not possible.
3. The Planning Commission may allow for tree replacement off-site at the request of the applicant when site factors including the size of the parcel (no available area for planting), tree condition or development requirements may make conformity to this section difficult or undesirable. If the Planning Commission permits the applicant to plant off-site the applicant shall be required to pay the equivalent fee of the cost of the tree replacement, including the cost of installation to the City Tree Fund. The City Tree Fund shall be used to plant trees on public property.

G. Exemptions from Replacement:

1. The following shall be exempt from the requirements of these Tree Replacement as set forth in Section 13.07.F:
 - a. Parcels of land that are not subject to site plan review.
 - b. Tree trimming and removal necessary to the operation of essential service facilities of a municipal or other governmental department or agency or public utility franchised to operate in the City.
 - c. Tree clearing within an existing public road right-of-way or an existing private road easement.
 - d. The removal of any tree which is demonstrated by the property owner to the Zoning Administrator or designee's satisfaction to have a health and

- condition standard factor of less than 50 percent based upon the standards established by the International Society of Arboriculture.
- e. Trees that are considered invasive by the International Society of Arboriculture
 - f. Removal of trees that have become a potential danger to human life or property.
- H. Tree Protection. Protected trees, shall be preserved to the greatest extent practicable through the use of site development techniques including but not limited to the following:
- 1. In general, Landmark Trees should not be removed for development. Site design should consider any Landmark Tree on a site as an important design element.
 - 2. Locate development in areas of the site that are already disturbed or cleared of trees and woody vegetation.
 - 3. Minimize clearing and grading of the site by working with the site's existing topography. Grading, roads, walkways, utility lines, and all other aspects of soil disturbance shall be minimized to the extent possible considering standards of sound design and public safety. Clearing for buildings should be limited to the smallest area needed for safe and effective building work.
 - 4. Use retaining walls and other techniques to minimize grade changes near trees.
 - 5. Maintain trees along the perimeter of sites to provide buffer.
 - 6. Maintain grades and moisture conditions within the Critical Root Zone (CRZ) of trees, being that area in which the loss, disturbance, or damage to any roots will adversely affect the tree's long term health and structural stability. Many of the native hardwood trees: oaks, hickories, maples and beeches, for example, and most old trees do not adapt to environmental changes brought about by construction. Grading changes should not occur within the CRZ of a tree. In addition, grading on a site should neither increase or decrease moisture conditions within a tree's CRZ. The area of concern around an important tree may be significantly larger than the CRZ. The drip line of the tree shall be used for comparison, and if larger than the CRZ, the dripline should be used to determine how best to protect an important tree.
 - 7. Locate utility lines away from trees to be retained. If this is not possible, install utility lines through bored tunnels instead of trenches.
 - 8. Conduct any necessary excavation around trees by hand.
 - 9. Applicant must provide a Tree Protection Plan that is compliant with requirements as set forth Chapter 28, Tree Regulations.

10. Upon reasonable notice to the property owner and/or Applicant, the City shall have the right to periodically inspect the site during site plan review, land clearing, and/or construction to ensure compliance.

I. Tree Removal as a Result of Construction Activity:

1. Any protected tree identified for preservation on an approved site plan that has died within three years (3) of the start of construction shall be replaced under the appropriate Landmark Tree and Woodland replacement requirement.

J. Site Plan Approval and Enforcement:

1. Tree protection and mitigation as approved by the Planning Commission is a condition of Site Plan approval and enforced as such.

K. Appeals and Variances. All appeals or requests for variances from the provisions of this section shall be made to the City of Troy Zoning Board of Appeals in accordance with Article 15 of the City of Troy Zoning Ordinance.

L. Violations and Penalties. Violations of the provisions of this section are violations of the City of Troy Zoning Ordinance and subject to Article 3 of the City of Troy Zoning Ordinance.

Section 3. Savings

All proceedings pending, and all rights and liabilities existing, acquired or incurred, at the time this Ordinance takes effect, are hereby saved. Such proceedings may be consummated under and according to the ordinance in force at the time such proceedings were commenced. This ordinance shall not be construed to alter, affect, or abate any pending prosecution, or prevent prosecution hereafter instituted under any ordinance specifically or impliedly repealed or amended by this ordinance adopting this penal regulation, for offenses committed prior to the effective date of this ordinance; and new prosecutions may be instituted and all prosecutions pending at the effective date of this ordinance may be continued, for offenses committed prior to the effective date of this ordinance, under and in accordance with the provisions of any ordinance in force at the time of the commission of such offense.

Section 4. Severability Clause

Should any word, phrase, sentence, paragraph or section of this Ordinance be held invalid or unconstitutional, the remaining provision of this ordinance shall remain in full force and effect.

Section 5. Effective Date

This amendment to the Zoning Ordinance shall take effect ten (10) days after publication, which shall be published within 15 days of adoption, as required the Michigan Zoning Enabling Act (Act 110 of 2006).

This Ordinance is enacted by the Council of the City of Troy, Oakland County, Michigan, at a regular meeting of the City Council held at City Hall, 500 W. Big Beaver, Troy, MI, on the _____ day of _____, 2016.

Dane Slater, Mayor

Aileen Dickson, City Clerk

G:\ZOTAs\ZOTA 248 Woodland Protection\ZOTA 248 CC Public Hearing Draft 02 08 2016.doc

WOODLAND PROTECTION ORDINANCE ZOTA #248

Planning Commission
Public Hearing
December 22, 2015

SUMMARY

- ▶ Require tree mitigation and encourage/incentivize, but don't require, tree preservation.
- ▶ Tree mitigation shall apply to any property that requires site plan approval.
- ▶ Tree mitigation shall not apply to single-family developments that do not require site plan approval.
- ▶ Allow exceptions for dead/dying/diseased and non-desirable/invasive species.
- ▶ Recognition that all applications and site conditions are different so allow for creative approaches for tree management.

OUTLINE

1. Purpose and Intent
 2. Applicability
 3. Protected Trees as Defined
 4. Tree Inventory
 5. Tree Replacement
 6. Tree Replacement Alternatives
 7. Exceptions from Replacement
 8. Tree Protection
 9. Tree Removal as Result of Construction Activity
 10. Site Plan Approval and Enforcement
 11. Appeals and Variances
 12. Violations and Penalties
- 

PURPOSE AND INTENT

- ▶ General statement of purpose and intent
 - ▶ Public safety, health, and welfare
 - ▶ Environmental / water quality / air quality
 - ▶ Erosion, siltation, and flooding prevention
 - ▶ Cite necessary references
 - ▶ Michigan Zoning Enabling Act
 - ▶ Michigan Constitution
 - ▶ Michigan Natural Resources and Environmental Protection Act
- 

APPLICABILITY

- ▶ Apply to all parcels in the City that require:
 - ▶ Site plan review
 - ▶ Subdivision review
- 

APPLICABILITY

- ▶ Based on aerial photographs, if it is determined that property owner has removed protected trees within five (5) years, the Planning Commission may require additional landscaping.
 - ▶ Necessary to prevent cutting prior to submittal.
- 

APPLICABILITY

- ▶ DOES NOT APPLY TO EXISTING SINGLE FAMILY PROPERTIES.
 - ▶ DOES NOT REQUIRE TREE REMOVAL PERMIT FOR PARCELS THAT ARE NOT IN DEVELOPMENT REVIEW PROCESS.
- 

PROTECTED TREES

- Landmark Tree: A woody plant, in a healthy, live condition (has a health and condition standard factor of over 50% based on standards established by the International Society of Arboriculture), that meets the minimum size requirement:

Common Name	Botanical Name	Size
Beech	<i>Fagus spp.</i>	18"
Oak	<i>Quercus spp.</i>	16"
Birch	<i>Betula spp.</i>	12"
Cedar	<i>Juniperus spp</i>	8"
Chestnut, American	<i>Castanea dentata</i>	6"

PROTECTED TREES

- Woodlands: *One-quarter ($\frac{1}{4}$) acre or more of contiguously wooded land where the largest trees measure at least six (6) inches in diameter at breast height (DBH).*
 - *The acreage is to be measured from the dripline to dripline of trees on the perimeter.*
 - *Contiguous shall be defined as the majority of the one-quarter ($\frac{1}{4}$) acre being under the vegetation dripline.*

EXCEPTIONS

The following shall be exempt from the requirements of these regulations:

- Parcels of land that are not subject to site plan review.
- Tree trimming and removal necessary for government or public utility.
- Within public road right-of-way.
- Dead, dying, or diseased trees.
- Invasive species.
- Trees that have become a potential danger to human life or property.

REPLACEMENT

- Replacement:
 - Landmark trees: one-hundred (100%) of the original DBH removed.
 - Woodland trees: fifty percent (50%) of the original DBH removed.
 - The tree replacement requirements herein are separate from and in addition to the landscape requirements.
- 

REPLACEMENT

- Minimum replacement size:
 - Deciduous = two and one-half (2.5) inch caliper.
 - Coniferous = Six (6) feet in height.
- The Planning Commission shall approve a Tree Replacement Plan.
 - Tree protection and mitigation as approved by the Planning Commission is a condition of Site Plan approval and enforced as such.
- A Tree Replacement Plan must be prepared by either a certified forester or Registered Landscape Architect.

INCENTIVIZE PROTECTION

- When reviewing site plans, the Planning Commission prioritizes Landmark and Woodland Tree protection and mitigation in order as follows:
 - Protecting and preserving existing onsite Landmark and Woodland Trees.
 - Providing all required mitigation on the site of development.
 - Paying into tree fund, only if protecting and preserving on site, or mitigation on site has been explored by applicant and due to unique circumstance as outlined above, is not possible.

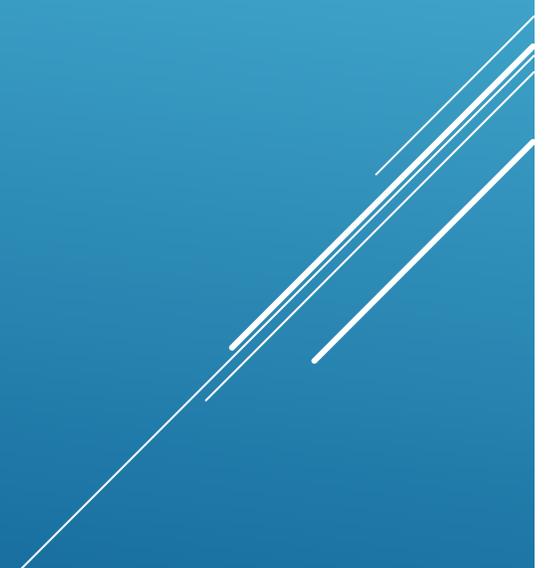
INCENTIVIZE PROTECTION

- The Planning Commission may allow for tree replacement off-site
 - The size of the parcel (no available area for planting), or
 - tree condition or development requirements may make conformity to this section difficult or undesirable.
- If the Planning Commission permits the applicant to plant off-site the applicant shall be required to pay the equivalent fee of the cost of the tree replacement, including the cost of installation to the City Tree Fund.

INCENTIVIZE PROTECTION

- Tree preservation techniques are included.
 - Any protected tree identified for preservation on an approved site plan that has died within three years (3) of the start of construction shall be replaced under the appropriate Landmark Tree and Woodland replacement requirement.
- 

TEST CASES





PINERY WOODS SITE CONDOMINIUM

City of Troy Planning Department



427 0 214 427 Feet

Scale 1:2,562

TEST CASE: PINERY WOODS SITE CONDOMINIUM

	Number of Protected Trees	Total Inches	Mitigation Required
Woodland Trees to be Removed	366	2,305	-1,153 inches
Woodland Trees to be Preserved	6	45	+90 inches
Landmark Trees to be Removed	0	0	0 inches
Landmark Trees to be Preserved	0	0	0 inches
Total			1,063 inches

Based on 1,063 inches of replacement required, the applicant would be required to plant approximately 425 trees at 2.5 caliper inches.



City of
Troy

350 W Big Beaver, Children's Hospital

City of Troy Planning Department



TEST CASE: DMC CHILDREN'S HOSPITAL

	Number of Protected Trees	Total Inches	Mitigation Required
Woodland Trees to be Removed	0	0	0 inches
Woodland Trees to be Preserved	0	0	0 inches
Landmark Trees to be Removed	8	191	-191 inches
Landmark Trees to be Preserved	8	86	+172 inches
Total			19 inches

Based on 19 inches of replacement required, the applicant would be required to plant approximately 8 trees at 2.5 caliper inches.

ZONING ORDINANCE TEXT AMENDMENT

9. **PUBLIC HEARING – ZONING ORDINANCE TEXT AMENDMENT (File Number ZOTA 248)**
– Woodland Protection

Mr. Savidant reported on the proposed Zoning Ordinance Text Amendment.

PUBLIC HEARING OPENED

Kerry Krivoshein, 1259 Ashley, spoke in support of the proposed text amendment. He addressed tree caliper size and suggested to list invasive species by botanical name.

PUBLIC HEARING CLOSED

Resolution # PC-2015-12-078

Moved by: Kупpa
Seconded by: Krent

RESOLVED, That the Planning Commission hereby recommends to the City Council that Articles 8 and 13 of Chapter 39 of the Code of the City of Troy, which includes miscellaneous provisions related to woodland protection, be amended as printed on the proposed Zoning Ordinance Text Amendment.

Yes: All present (7)
Absent: Hutson, Sanzica

MOTION CARRIED



CITY COUNCIL AGENDA ITEM

Date: January 18, 2016

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic & Community Development
R. Brent Savidant, Planning Director

Subject: ANNOUNCEMENT OF PUBLIC HEARING (FEBRUARY 8, 2016) - STREET VACATION REQUEST (SV 191) – Alley east of John R between Gabriel and Vermont, Abutting parcel 2020 Gabriel on the East and Vacant Parcel 88-20-25-309-002 on the West, Section 25, Currently Zoned R-1E (One Family Residential) District (abutting properties)

The applicant, Naveed V. Syed, seeks vacation of a section of alley approximately 10 feet wide by 40 feet long. The applicant owns the parcel that abuts the alley to the west (Tax ID# 88-20-25-309-002). The application states that alley vacation will allow for construction of a single family home with a larger building footprint.

The alley is in Sussex Park Subdivision, which was platted in 1925. Most of the 20-foot wide alley has been vacated since 1925. There are some 10-foot wide and 20-foot wide segments remaining. This application is consistent with previous efforts to vacate sections of the alley.

There is an 8-inch underground sanitary sewer line in the alley as well as overhead utilities. An easement must be maintained for both underground and overhead utilities. No buildings or structures will be permitted to be constructed within this easement.

The Planning Commission held a public hearing on this item on December 22, 2015 and recommended approval of the application by a 7-0 vote.

The attached Planning Commission item provides additional background. A City Council public hearing has been scheduled for February 8, 2016.

Attachments:

1. Agenda item from December 22, 2015 Planning Commission Regular meeting
2. Minutes from December 22, 2015 Planning Commission meeting (excerpt)

DATE: December 14, 2015

TO: Planning Commission

FROM: R. Brent Savidant, Planning Director

SUBJECT: PUBLIC HEARING - STREET VACATION REQUEST (SV 191) – Alley east of John R between Gabriel and Vermont, Abutting parcel 2020 Gabriel on the East and Vacant Parcel 88-20-25-309-002 on the West, Section 25, Currently Zoned R-1E (One Family Residential) District (abutting properties)

GENERAL INFORMATION

Name of applicant(s):

The applicant is Naveed V Syed, owner of the vacant parcel abutting the alley on the west (Tax ID# 88-20-25-309-002).

History of Right of Way:

Sussex Park Subdivision was platted in 1925. Most of the 20-foot wide alley has been vacated since 1925. There are some 10-foot wide and 20-foot wide segments remaining. This application is consistent with previous efforts to vacate sections of the alley.

Length and width of right of way.

The section of the alley proposed to be vacated is 40 feet long by 10 feet wide. The applicant proposes to vacate only half of the alley, for the purpose of expanding the building envelope for a single family home.

ANALYSIS

Reason for street vacation (as stated on the Street/Alley Vacation Application):

The application states the following:

“We want to build a house but the size is very small, if we get 10 feet from the alley we will be able to build at least 25’X50’ instead of 25’X40’.”

Impact on access to existing lots or buildings (including emergency service vehicles):

Access to abutting properties will not be affected by vacation of this portion of the alley.

Impact on Utilities

There is an 8-inch underground sanitary sewer line within the alley, as well as overhead utilities. An easement must be maintained for the underground and overhead utilities. Furthermore, no buildings or structures may be constructed within the easement.

Future Land Use Designation:

The area is designated on the Future Land Use Plan as Single Family Residential.

CITY MANAGEMENT RECOMMENDATION

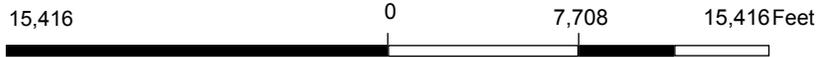
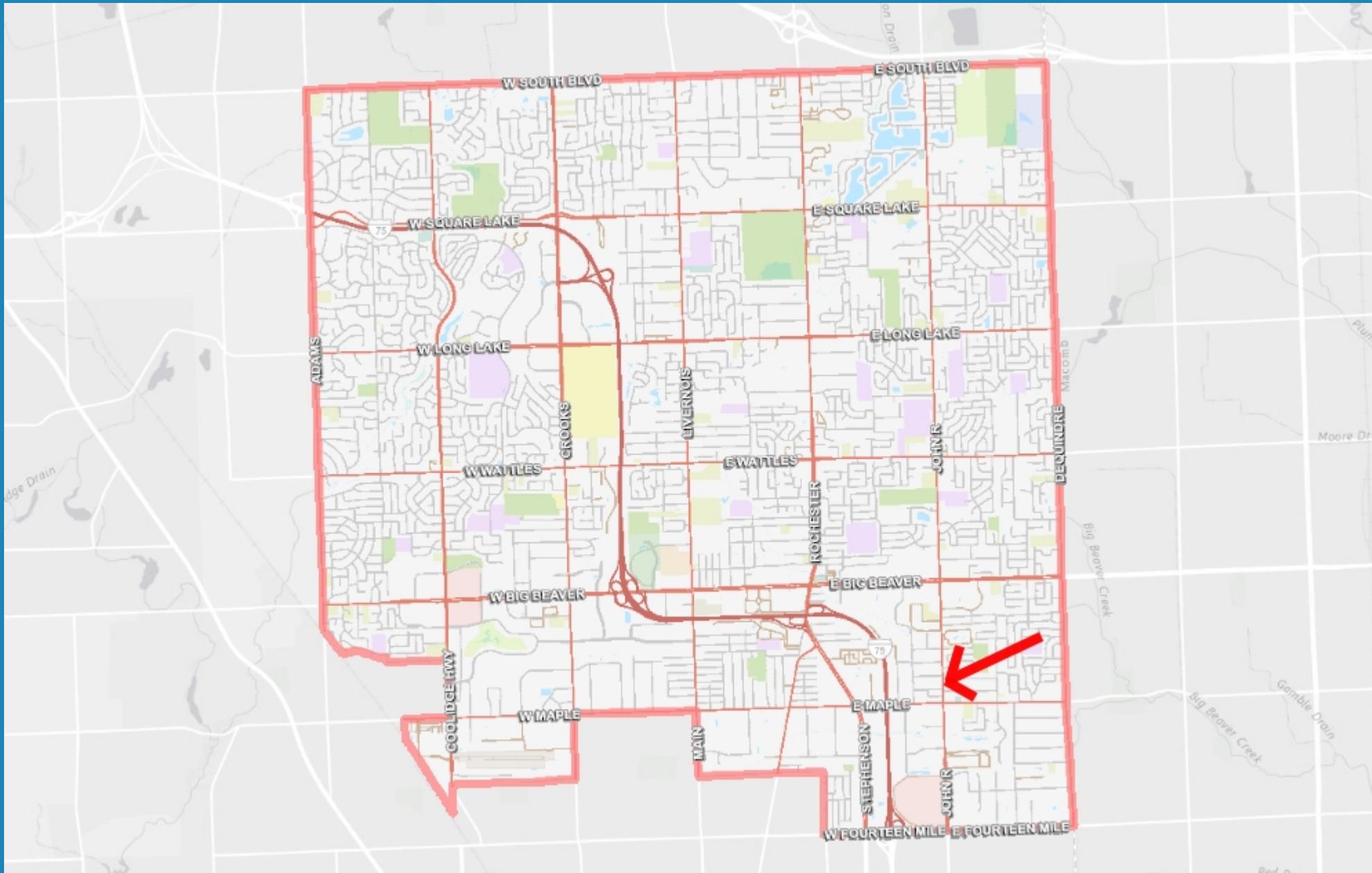
City Management recommends approval of the street vacation request as submitted, subject to the following:

1. An easement shall be maintained for overhead and underground utilities.
2. No structures or buildings shall be constructed within the easement.

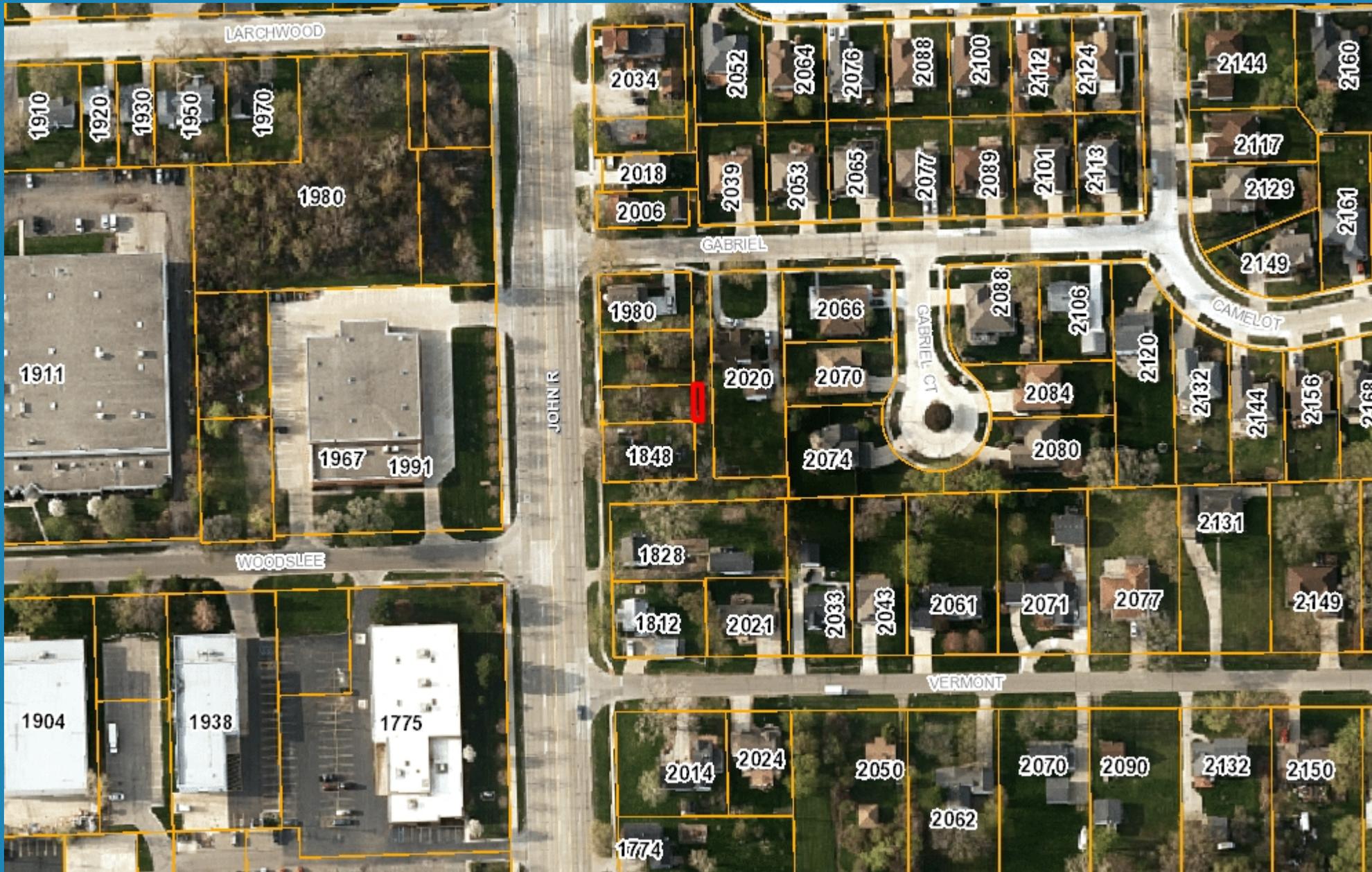
Attachments:

1. Maps
2. Plat drawing of Sussex Park Subdivision
3. Application

G:\STREET VACATION\SV 191 Alley on John R between Gabriel and Vermont Sec 25\SV 191 PC Memo 12 08 2015.doc



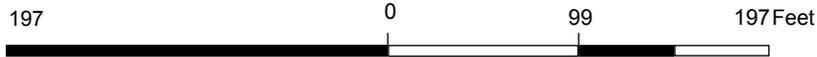
Note: The information provided by this application has been compiled from recorded deeds, plats, tax maps, surveys, and other public records and data. It is not a legally recorded map survey. Users of this data are hereby notified that the source information represented should be consulted for verification.



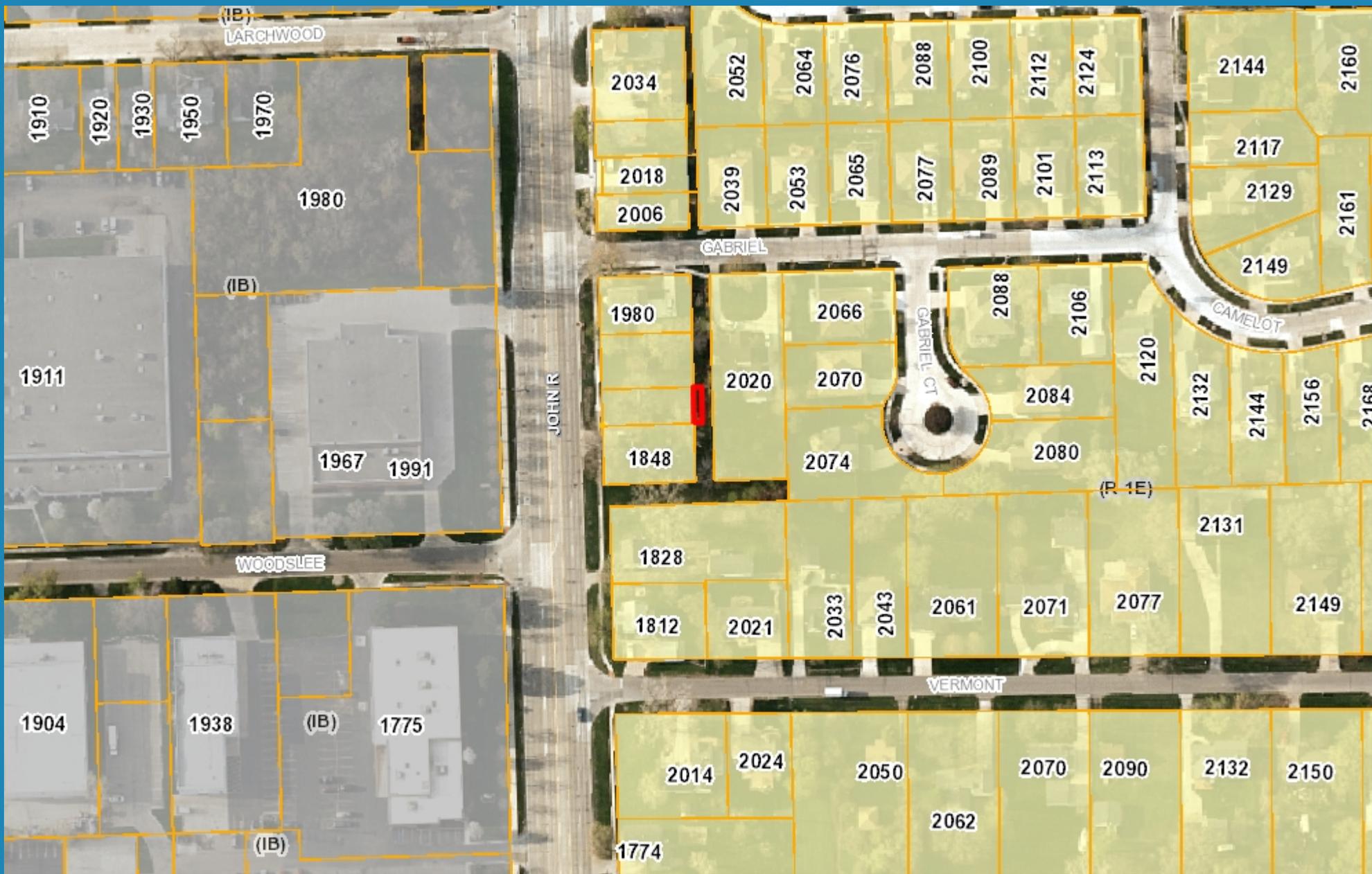
395 0 197 395Feet



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Note: The information provided by this application has been compiled from recorded deeds, plats, tax maps, surveys, and other public records and data. It is not a legally recorded map survey. Users of this data are hereby notified that the source information represented should be consulted for verification.

Examined and Approved
Mar 27-1925
A. F. Gushong
Deputy Auditor General

"SUSSEX PARK"

COPIES
Plat of
Sussex Park
BEING A SUBDIVISION OF THE N.W. 1/4 OF THE S.W. 1/4 OF SEC. 25-T2N, R11E.
TROY TOWNSHIP - OAKLAND COUNTY - MICHIGAN.
Scale 1 inch = 250 feet
All dimensions given in feet or decimals thereof.

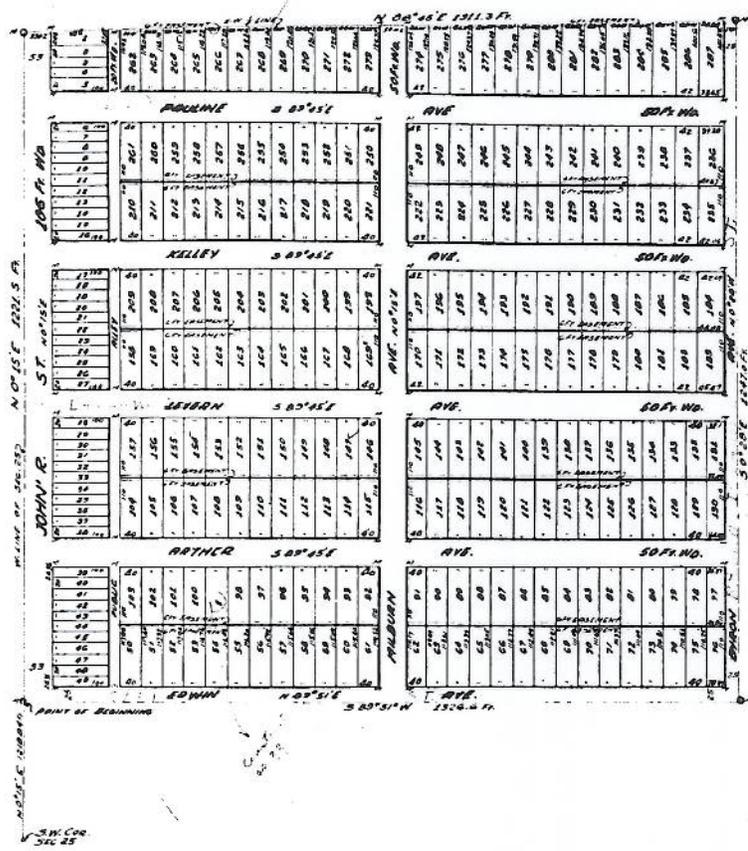
BEING A SUBDIVISION OF THE N.W. 1/4 OF THE S.W. 1/4 OF SEC. 25-T2N, R11E.
TROY TOWNSHIP - OAKLAND COUNTY - MICHIGAN.

SCALE 1 inch = 250 feet
All dimensions given in feet or decimals thereof.

A. F. Gushong
Registered Surveyor
1205 Lafayette Bldg.
Detroit

I HEREBY CERTIFY THAT THIS COPY IS A TRUE AND CORRECT COPY OF THE ORIGINAL SURVEY.
May 27-1925
A. F. Gushong
DEPUTY AUDITOR GENERAL

FILED IN AUDITOR GENERAL'S DEPT.
May 11-1925
A. F. Gushong
DEPUTY AUDITOR GENERAL



Know all men by these presents, that Henry Prisel
and Eda Prisel, his wife

do hereby certify that the above described premises are a subdivision of the N.W. 1/4 of the S.W. 1/4 of Sec. 25-T2N, R11E, Troy Township, Oakland County, Michigan, and that the streets, alleys and assessments as shown on said plat are hereby

Witness my hand and the seal of said County of Oakland, Michigan, this 25th day of February, 1925.
W. Arthur Wise
County Clerk
Henry Prisel
Eda Prisel, his wife

Scale of Michigan
County of Wayne
the 27th day of February 1925
Henry Prisel and
Eda Prisel, his wife
W. Arthur Wise
Notary Public, Wayne Co., Mich.
My Commission Expires Nov. 30, 1926

I hereby certify that the Plat herein delineated is a correct one and that the same was duly filed in the office of the Auditor General of Michigan, and that the same is a true and correct copy of the original survey.

A. F. Gushong
Registered Surveyor

This plat was approved by the Township Board
of the Troy Township
at a meeting held February 22, 1925
Marion A. Wallis
Clerk

DESCRIPTION

The land embraced in the annexed plat is more particularly described as follows: Beginning at a point on the West line of Section 25, said point being distant N. 0°15' E. 1216.24 ft. from the S. W. corner of Sec. 25, T. 2-N. R. 11 E. thence N. 0°15' E. along the W. line of Sec. 25 - 1231.5 ft. to the E. & W. line of Sec. 35, thence N. 88°45' E. 1311.3 ft. to a point, thence S. 0°38' E. 1247.0 ft. to a point, thence S. 89°51' W. 1326.6 ft. to the place of beginning, said property to be known as "SUSSEX PARK" being a Subdivision of the N.W. 1/4 of the S.W. 1/4 of Sec. 25-T. 2-N. R. 11 E., Troy Township, Oakland County, Michigan.

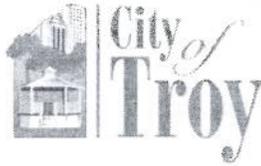
Oakland County Treasurer's Certificate

This is to Certify, that there are no Tax Liens or Titles held by the State or any individual against, and that all Taxes on lands described in the annexed instrument bearing Treasurer's No. 7-4447 user's have been paid FIVE YEARS prior to the date thereof, according to the records of this office, except as stated.

A. F. Gushong
County Treasurer
Edmund R. Shannon
Deputy

STREET / ALLEY VACATION APPLICATION CITY OF TROY

CITY OF TROY PLANNING DEPARTMENT
 500 W. BIG BEAVER
 TROY, MICHIGAN 48084
 248-524-3364
 FAX: 248-524-3382
 E-MAIL: planning@troymi.gov



FILE NUMBER SV 191
 DATE FILED _____
 STREET VAC. FEE (\$500.00) pd
 ESCROW FEE (\$1,500.00) n/a

NOTICE TO THE APPLICANT

REGULAR MEETINGS OF THE TROY CITY PLANNING COMMISSION ARE HELD ON THE SECOND TUESDAY OF EACH MONTH AT 7:00 P.M. AT THE CITY HALL. APPLICATIONS FOR VACATIONS SHALL BE FILED NOT LATER THAN THIRTY (30) DAYS BEFORE THE SCHEDULED DATE OF THE MEETING.

PLEASE FILE ONE (1) SIGNED ORIGINAL APPLICATION FORM RECEIVED

THE **ESCROW FEE** IS AN ADDITIONAL FEE ABOVE THE NON-REFUNDABLE APPLICATION FEE WHICH SHALL BE USED TO PAY PROFESSIONAL REVIEW EXPENSES OF OUTSIDE CONSULTANTS. NOV - 5 2015

PLANNING

TO THE CITY COUNCIL:

I (WE), THE UNDERSIGNED, DO HEREBY RESPECTFULLY PETITION AND MAKE APPLICATION TO THE TROY CITY COUNCIL FOR VACATION OF THE RIGHT- OF- WAY OR EASEMENT WHICH IS DESCRIBED AS FOLLOWS: 10' OF ALLEY BEHIND THE PROPERTY FROM THE EXISTING 20' VACANT ALLEY.

PID 88-20-25-309-002 East of John between Gabriel and Vermont

APPLICANT(S) FOR VACATION:

NAME <u>NAVEED V SYED</u>	NAME _____
COMPANY _____	COMPANY _____
ADDRESS <u>2564 MARCUS DRIVE</u>	ADDRESS _____
CITY <u>TROY</u> STATE _____ ZIP <u>48083</u>	CITY _____ STATE _____ ZIP _____
TELEPHONE <u>313 922 7777</u>	TELEPHONE _____
E-MAIL <u>naveedexpress@aol.com</u>	E-MAIL _____

ADDRESS(S) AND/OR PARCEL NUMBER(S) OF PROPERTY OWNED BY APPLICANT(S) WHICH ABUTS OR INCLUDES THE AREA FOR WHICH VACATION IS REQUESTED: _____

THIS REQUEST FOR VACATION IS MADE FOR THE FOLLOWING REASON(S): We want to build a house but the lot size is very small, if we get 10 feet from the alley we will be able to build atleast 25'X50' instead of 25' x 40'.

(Attach additional informational pages if necessary)

ATTACHED IS A MAP INDICATING THE AREA FOR WHICH VACATION IS REQUESTED, THE LOCATION OF THE APPLICANT(S) PROPERTY, AND OTHER ABUTTING PROPERTIES. (1" = 200' MIN. SCALE)

SIGNATURE(S) OF THE APPLICANT(S): DATE: 11/4/15

DATE: _____

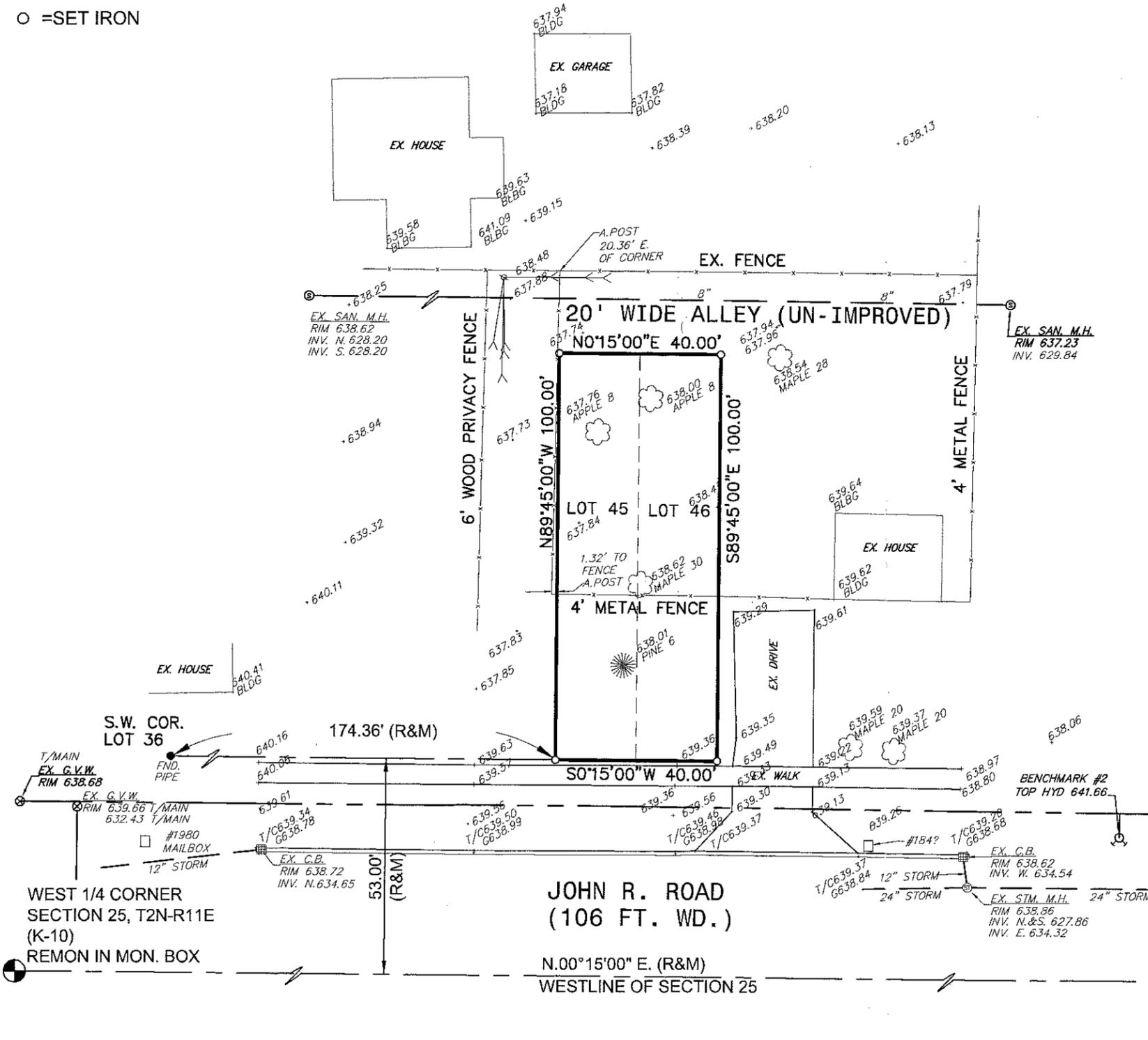
DESCRIPTION OF PROPERTY

LOT 45 AND 46 OF "SUSSEX PARK" BEING A SUBDIVISION OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, T.2N., R.11E, CITY OF TROY, OAKLAND COUNTY, MICHIGAN ACCORDING TO THE PLAT AS RECORDED IN LIBER 36 OF PLATS ON PAGE 12 OAKLAND COUNTY RECORDS

○ =SET IRON

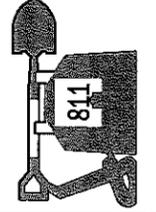
TOPOGRAPHIC SURVEY
LOTS 45 AND 46
SUSSEX PARK
 PARCEL ID # 20-25-309-002

- BENCHMARK:
- ARROW ON TOP OF HYD., WEST SIDE OF JOHN R. ROAD, 75' N. OF NORTHERN ELECT. DRIVE ELEV. 641.69(R) (NOT SHOWN)
 - ARROW ON TOP OF HYD., EAST SIDE OF JOHN R. ROAD. ELEV. 641.58(R) ELEV. 641.66(M) (SHOWN)



Donald H. King 11-2-15

CALL MISS DIG
 72 HOURS
 (3 WORKING DAYS)
 BEFORE YOU DIG
 1-800-482-7171
 OR 811
 (TOLL FREE)



FAZAL KHAN & ASSOCIATES, INC.
 CIVIL ENGINEERS & LAND SURVEYORS
 43279 SCHOENHERR STERLING HEIGHTS, MI 48313
 PHONE (586) 739-8007 FAX (586) 739-6994
WWW.FAZALKHAN.COM

CLIENT NAVEED SYED	PROJECT NO.	15-0199A	DRAWN BY O.G.	CHECKED BY	S.H.
	DATE	10-26-15		SCALE	1" = 30'
SHEET NO.	1				

STREET VACATION

8. **PUBLIC HEARING - STREET VACATION REQUEST (SV 191)** – 10 Foot of Alley east of John R between Gabriel and Vermont, Abutting Parcel 2020 Gabriel on the East and Vacant Parcel 88-20-25-309-002 on the West, Section 25, Currently Zoned R-1E (One Family Residential) District (abutting properties)

Mr. Savidant reported on the Street Vacation request. He said City Management recommends approval of the request as submitted subject to maintaining an easement for overhead and underground utilities.

PUBLIC HEARING OPENED

No one was present to speak.

PUBLIC HEARING CLOSED

There was discussion relating to maintenance of the property and potential to vacate the entire alley in the future.

Resolution # PC-2015-12-077

Moved by: Tagle

Seconded by: Krent

RESOLVED, That the Planning Commission hereby recommends to the City Council that the street vacation request, as submitted, for an alley located east of John R, between Gabriel and Vermont, approximately 10 feet wide by 40 feet in length, abutting lots 45 and 46 of Sussex Park Subdivision, Section 25, be approved, subject to the following:

1. An easement shall be maintained for underground and overhead utilities.
2. No structures or buildings shall be constructed within the easement.

Yes: All present (7)

Absent: Hutson, Sanzica

MOTION CARRIED

NOTICE OF PUBLIC HEARING

CITY OF TROY, STATE OF MICHIGAN

ON THE ESTABLISHMENT OF A PACE
PROGRAM AND A PACE DISTRICT

TO ALL INTERESTED PERSONS IN THE CITY OF TROY:

PLEASE TAKE NOTICE that the City Council, City of Troy, State of Michigan, (the "City") will hold a public hearing at the Regular City Council Meeting on Monday, February 8, 2016, which starts __, at 7:30 pm _____, in the Troy City Council Chambers,, 500 W. Big Beaver, Troy, MI 48084, to receive comments on the proposed Property Assessed Clean Energy ("PACE") program and the proposed PACE report.

TAKE FURTHER NOTICE that the City Council intends to establish a PACE program and to establish a PACE district, having the same boundaries as the City's jurisdictional boundaries, pursuant to Act No. 270, Public Acts of Michigan, 2010 ("Act 270"), MCL 460.935 et. seq., for the purposes of encouraging economic development, improving property valuation, increasing employment, reducing energy costs, reducing greenhouse gas emissions, and promoting the use of renewable energy systems and energy efficiency improvements.

TAKE FURTHER NOTICE that the Proposed PACE report, required by Section 9(1) of Act 270, is available on the City's website at <https://troymi.gov/>, and is available at the office of the City Clerk located at 500 W. Big Beaver, Troy, MI 48084.

THIS NOTICE is given by order of the City Council of City of Troy, Michigan.

EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES MINUTES – Final – December 9, 2015



Minutes

**Employees' Retirement System
Board Meeting**

**December 9, 2015 at 1:30 PM
City Council Board Room**

**Troy City Hall
500 West Big Beaver
Troy, Michigan 48084
(248) 524-3330**

A meeting of the Employees' Retirement System Board of Trustees was held on **December 9, 2015** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 1:30 p.m.

Trustees Present: Mark Calice
Thomas Darling, CPA
Brian Kischnick
Thomas Gordon II
Steve Pallotta
Milton Stansbury

Trustees Absent: Dave Henderson

Also Present: Kathy Kostopoulos

EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES MINUTES – Final – December 9, 2015

Minutes:

Resolution # ER – 2015-12-28

Moved by: Kischnick
Seconded by: Stansbury

RESOLVED, that the Minutes of the November 11, 2015 meeting be approved.

Yeas: - 6 -
Absent: - 1 -

Retirement Requests:

Name	Todd Michael			
Pension Program	DC			
Retirement Date	12/31/2015			
Department	TPOA			
Service Time	Credited w/ 25 yrs. 0 mo.			

Resolution # ER – 2015-12-29

Moved by: Pallotta
Seconded by: Gordon

RESOLVED, that the retirement request be approved.

Yeas: - 6 -
Absent: - 1 -

Regular Business:

- The 2016 Employees' Retirement System Board of Trustees Meeting Calendar was observed by the Members of the Board.

Resolution # ER – 2015-12-30

Moved by: Pallotta
Seconded by: Gordon

EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES MINUTES – Final – December 9, 2015

RESOLVED, that the 2016 Employees' Retirement System Board of Trustees Meeting Calendar be approved.

Yeas: - 6 -

Absent: - 1 -

Investments:

• Graystone Consulting Presentation

Amy Cole and Robert Alati presented the Graystone Morgan Stanley December 1, 2015 Portfolio for the City of Troy Employees Retirement System. Investment performance was reviewed and discussed with the members of the board.

• UBS Financial Services Presentation

Rebecca Sorensen and Darin McBride of UBS reviewed the stock holdings for the City of Troy Employees Retirement Systems Defined Benefit and NAIC portfolios for November 30, 2015. Investment performance was reviewed and discussed with the members of the board.

Chairman Calice commented on recent developments that suggested divesting the ERS positions in Green Mountain (Keurig) and using the proceeds to buy \$500,000 in Disney Corp. and \$500,000 in Starbuck shares. UBS representatives supported Chairman Calice's recommendation.

Resolution # ER – 2015-12-31

Moved by: Calice

Seconded by: Kischnick

RESOLVED, that the Members of the Board supported the UBS stock sell recommendation of 7,000 shares of Green Mountain Keurig, using 50/50 proceeds to purchase Disney and Starbucks shares.

Yeas: - 6 -

Absent: - 1 -

- IAS December 2015 Report was briefed upon by the System Administrator and Members of the Board. Based on IAS recommendations on December 2015 report, all positions in LivaNova (LIVN) and Qualcomm (Qcom) were sold. Proceeds were used to buy 5000 shares of KAR Auction (KAR) and placed a buy position for 2,000 shares of WABTEC (WAB) when traded at \$79.00 per share.

EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES MINUTES – Final – December 9, 2015

Other Business:

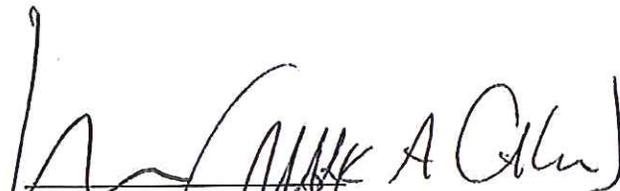
None

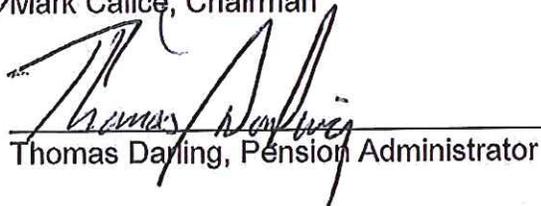
Public Comment:

None

The next meeting is Wednesday, January 13, 2016 at 12:00 p.m. at Troy City Hall, Council Board Conference Room, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting adjourned at 3:28 p.m.


Mark Calice, Chairman


Thomas Darling, Pension Administrator

Chair Edmunds called the Regular meeting of the Troy City Planning Commission to order at 7:02 p.m. on December 22, 2015 in the Council Board Room of the Troy City Hall.

1. ROLL CALL

Present:

Ollie Apahidean
Karen Crusse
Donald Edmunds
Carlton M. Faison
Tom Krent
Padma Kuppa
John J. Tagle

Absent:

Michael W. Hutson
Philip Sanzica

Also Present:

R. Brent Savidant, Planning Director
Allan Motzny, Assistant City Attorney
Brian Kischnick, City Manager
Kathy L. Czarnecki, Recording Secretary

2. APPROVAL OF AGENDA

Resolution # PC-2015-12-075

Moved by: Apahidean
Seconded by: Tagle

RESOLVED, To approve the Agenda as prepared.

Yes: All present (7)
Absent: Hutson, Sanzica

MOTION CARRIED

3. APPROVAL OF MINUTES

Resolution # PC-2015-12-076

Moved by: Tagle
Seconded by: Crusse

RESOLVED, To approve the minutes of the December 8, 2015 Regular meeting as submitted.

Yes: All present (7)
Absent: Hutson, Sanzica

MOTION CARRIED

4. PUBLIC COMMENT – Items not on the Agenda

Tom Newkold, 1072 Bradley, addressed a Preliminary Site Plan application for a proposed 31-unit condominium development, Bradley Square Condominiums, and expressed concerns relating to privacy, drainage and screening.

Mr. Savidant said he would make sure Mr. Newkold’s concerns are forwarded to the applicant in advance of the next meeting at which Bradley Square is considered by the Planning Commission.

5. ZONING BOARD OF APPEALS (ZBA) REPORT

Mr. Savidant reported on the December 15, 2015 Zoning Board of Appeals meeting.

6. DOWNTOWN DEVELOPMENT AUTHORITY (DDA) REPORT

There was no Downtown Development Authority (DDA) meeting in December.

7. PLANNING AND ZONING REPORT

City Manager Kischnick gave an introduction to the 2016 City Retreat scheduled on February 26 and 27, 2016.

STREET VACATION

8. PUBLIC HEARING - STREET VACATION REQUEST (SV 191) – 10 Foot of Alley east of John R between Gabriel and Vermont, Abutting Parcel 2020 Gabriel on the East and Vacant Parcel 88-20-25-309-002 on the West, Section 25, Currently Zoned R-1E (One Family Residential) District (abutting properties)

Mr. Savidant reported on the Street Vacation request. He said City Management recommends approval of the request as submitted subject to maintaining an easement for overhead and underground utilities.

PUBLIC HEARING OPENED

No one was present to speak.

PUBLIC HEARING CLOSED

There was discussion relating to maintenance of the property and potential to vacate the entire alley in the future.

Resolution # PC-2015-12-077

Moved by: Tagle

Seconded by: Krent

RESOLVED, That the Planning Commission hereby recommends to the City Council that the street vacation request, as submitted, for an alley located east of John R, between Gabriel and Vermont, approximately 10 feet wide by 40 feet in length, abutting lots 45 and 46 of Sussex Park Subdivision, Section 25, be approved, subject to the following:

1. An easement shall be maintained for underground and overhead utilities.
2. No structures or buildings shall be constructed within the easement.

Yes: All present (7)

Absent: Hutson, Sanzica

MOTION CARRIED

ZONING ORDINANCE TEXT AMENDMENT

9. **PUBLIC HEARING – ZONING ORDINANCE TEXT AMENDMENT (File Number ZOTA 248)**
– Woodland Protection

Mr. Savidant reported on the proposed Zoning Ordinance Text Amendment.

PUBLIC HEARING OPENED

Kerry Krivoshein, 1259 Ashley, spoke in support of the proposed text amendment. He addressed tree caliper size and suggested to list invasive species by botanical name.

PUBLIC HEARING CLOSED

Resolution # PC-2015-12-078

Moved by: Kuppa

Seconded by: Krent

RESOLVED, That the Planning Commission hereby recommends to the City Council that Articles 8 and 13 of Chapter 39 of the Code of the City of Troy, which includes miscellaneous provisions related to woodland protection, be amended as printed on the proposed Zoning Ordinance Text Amendment.

Yes: All present (7)

Absent: Hutson, Sanzica

MOTION CARRIED

OTHER BUSINESS

10. **MASTER PLAN UPDATE**

Mr. Savidant outlined the procedure for the adoption of the Master Plan update.

Chair Edmunds opened the floor for public comment. There was no one present; the floor was closed for public comment.

Resolution # PC-2015-12-079

Moved by: Krent

Seconded by: Tagle

RESOLVED, That the Planning Commission hereby submits the proposed draft Master Plan to the City Council for review and comment; and

BE IT FINALLY RESOLVED, That the Planning Commission recommends that the City Council approves the distribution of the draft Master Plan, as per the requirements of the Michigan Planning Enabling Act, PA 33 of 2008, as amended.

Yes: All present (7)

Absent: Hutson, Sanzica

MOTION CARRIED

11. **PUBLIC COMMENT** – Items on Current Agenda

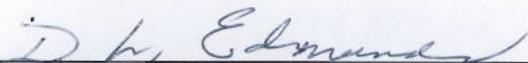
There was no one present who wished to speak.

12. **PLANNING COMMISSION COMMENT**

There were general Planning Commission comments.

The Regular meeting of the Planning Commission adjourned at 8:00 p.m.

Respectfully submitted,



 Donald Edmunds, Chair



 Kathy L. Czarniecki, Recording Secretary



Annual Report

Fiscal Year Ending June 30, 2015

Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

The Board of Trustees of the Troy Historical Society (THS) and the staff of the Troy Historic Village (Village) are pleased to present this Annual Report for our Fiscal Year Ending (FYE) June 30, 2015.

During the past twelve months the Board of Trustees, the Village employees, and our growing corps of volunteers have expanded programs and services at the Village; sought additional sources of material and financial support; and applied the talents, energy, and ideas of new and seasoned "Villagers." We are grateful for their contributions of time, talent, and treasure in support of THS, the administrative and governance body of the Village.

We continue to provide mission focused programs; to welcome and anticipate the needs our diverse community; and to be recognized as a valued regional cultural institution. This report highlights our efforts during the past fiscal year. It is organized by the goals identified in our Strategic Plan.

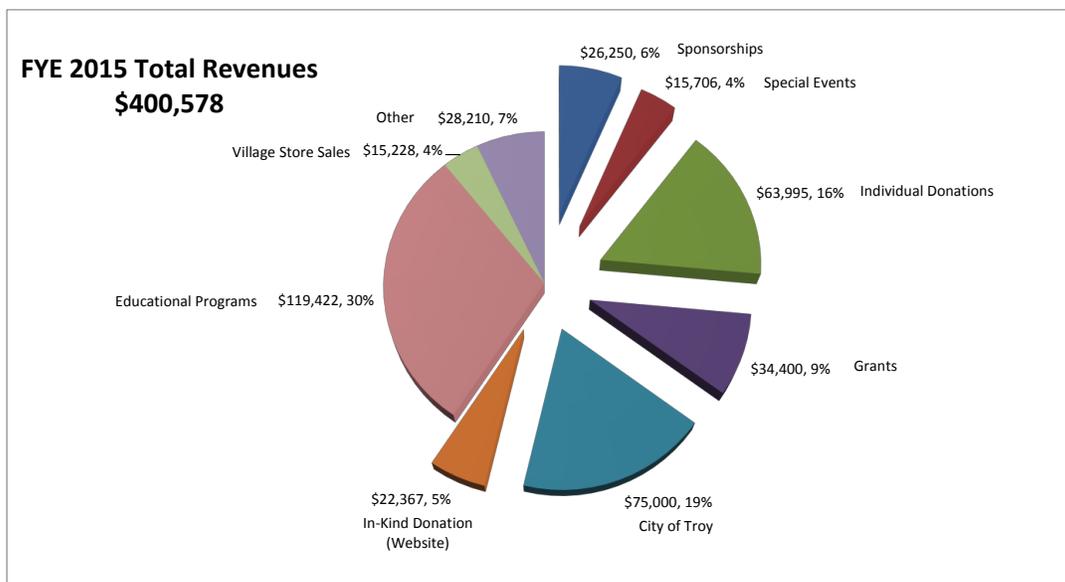
I. Financial Viability – *Serve as responsible financial stewards and achieve an appropriate level of philanthropic contributions, revenue growth, grant funding, and visitor volumes to sustain and grow Village operations on a long-term basis.*

- THS hired a part time Business Manager and improved the organization's procedures in adherence to best practices in accounting. THS also replaced a part time Marketing Director with a three-member team with more skills at a cost savings. The new team includes part time graphics design and webmaster consultants and a volunteer skilled in public relations.
- Revenues in FYE 2015 were \$400,578 compared with \$300,288 in FYE 2014. This significant change reflects a 33% increase in donations and a 17% increase in grant support. A modest increase in field trip fees and increased program registrations generated a 13% increase in program revenues.
- Three annual events generated regional awareness and significant financial support through sponsorships, registration fees, and ticket purchases.
 - The Troy Traffic Jam car show, held on Sunday, August 3, 2014 at the Columbia Center, is now the largest fundraising event for the Troy Historical Society, generating over \$20,000 through corporate sponsorships and car registrations. THS is grateful to show's major business and community sponsors: Kirco/Columbia Center, Kelly Services, Suburban Collection, and the City of Troy.
 - In 2014 the "Scarecrow Row" was also established for the first time as a fundraising program for the Village. Eighteen (18) businesses sponsored scarecrows that were displayed along the Livernois Road fence generated \$3,350. A magical Scarecrow Glow Party, which featured live music and food and beverages from eight (8) regional restaurants, was held just before Halloween, generating an additional \$7,340.
 - The second annual Embracing Excellence event, which celebrated the City of Troy's 60th anniversary, was held on April 21, 2015 at the regional offices of Huntington Bank. A total of 95 guests attended, resulting in \$2,725 in revenues for THS from ticket sales.

Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

- THS was awarded six grants in the most recent fiscal year.
 - *Kresge Foundation Detroit Arts Support Grant*– \$20,000 for general operations support was awarded for the two year grant period July 1, 2014 through June 30, 2016.
 - *Michigan Council for Arts and Cultural Affairs*– \$24,000 for general operations support was awarded for the grant period January 1, 2015 through September 30, 2015.
 - *Michigan Humanities Council Heritage Grant*– \$24,953 for the project “Many Stories One Heritage” was awarded for the grant period May 15, 2015 through May 31, 2016.
 - *Asian and Pacific Islander American Vote – Michigan*– \$10,000 was awarded to support the project “Many Stories One Heritage” in 2015.
 - *Oakland County Bar Foundation*– \$6,000 was awarded for the project “Constitution Cafés” to be held from September, 2015 through August, 2016.
 - *Allegra FOOTPrint Fund*- \$500 was awarded for printing costs in 2015.
- Program revenue from school field trips and enrichment programs totaled over \$119,000.
- Financial donations from individuals represented 16% of total revenues (\$63,995) for THS in FYE 2015. Several THS Board members were very generous to the organization and almost \$25,000 was donated above the required level of giving. Other individuals not on the THS Board donated almost \$27,000.
- The financial audit for THS in FYE June 30, 2015 was completed in December. All compliance reports required of THS were timely filed with the Internal Revenue Service and the State of Michigan.



Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

Visitor Experience – *Establish the Troy Historic Village as a unique cultural destination that is convenient, accessible, meaningful, relevant, affordable, and dynamic. The Village will become a popular gathering and happening place for residents of Troy and Southeast Michigan.*

- Weekday public hours, Monday – Friday, 10:00 am to 3:00 pm were extended from July – September to include Saturdays from 10:00 am to 2:00 pm and Thursday evening until 8 pm.
- The Troy Historical Society initiated new Artisan Arts programs, First Friday Cultural Excursions, and monthly House of Worship Tours. They expanded Saturday youth programs and enhanced learning and enrichment opportunities for Villagers of all ages and interests. There were over 3,600 participants in these programs, representing a 71% increase over the previous fiscal year.
- The Pioneer Garden was planted with donated seeds and plants from Nino Salvaggio’s Troy and Whole Foods Market and was tended and harvested by Volunteer Bill Warren, Scouts, and members of the Lucas family. The garden produced valuable gardening lessons and over 175 pounds of produce, which was donated to Forgotten Harvest and Troy People Concerned.
- Troy Historic Village continued its collaboration with the Troy Nature Center to jointly present Maple Syrup Time and Traveling Through Trails and Time in Troy. Over 900 individuals attended and participated in these joint programs.
- Total attendance at the Troy Historic Village for the year increased 10% to over 22,200 people during FYE 2015. Guests included walk-in visitors, program attendees, event participants, and those renting the facilities for meetings, weddings, and private parties.
- Exterior interpretive signs for each building were installed in the Village. The signage is one component of the Village Interpretive Master Plan, which will be implemented in phases in future years.
- Traditional holiday events (Trick or Treat and Christmas) welcomed over 1,500 visitors to the Village.
- The Troy Garden Club continued its volunteer and financial support of the Village. In 2015 its members replaced the overgrown shrubs in front of the 1927 Township Hall and enhanced the flower beds. Their annual Garden Club Walk Boutique brought 1,000 visitors, vendors, and volunteers to the Village.

Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

- II. Public Awareness** – *Establish region-wide awareness of the Troy Historic Village programs and services.*
- The new Troy Historic Village website was rolled out. Momentum, LLC, a digital marketing firm, donated design and technical services for this project valued at over \$20,000. The new homepage includes a high quality video that introduces new visitors to the Village, its programs, and services.
 - To commemorate the City of Troy's 60th anniversary year and to increase use of the website and the Troy Historic Village Facebook page, a group of staff members and volunteers implemented the 365 Project. Each day in 2015 a unique story, with appropriate photos, maps, or graphs was posted on each site. On any given day, a 365 Story was viewed a few hundred to nearly 4,000 times. The compiled stories are also available on the website through a searchable archive.
 - The Collections staff of the Village provided sessions at prominent professional conferences including the 2015 Michigan Local History Conference and the national conference for the Society of American Archivists.
- III. Adequate Resources** – *Maintain sufficient financial, technical, and human resources to support the operations and capital projects of the Village.*
- Through the generous support from the City of Troy, three major capital improvements were completed. A new, high efficiency, hot water heating system was installed in the 1927 Township Hall; a new storm water drainage system was installed at the Village; and the deteriorated paver pathways were replaced by stamped, dyed concrete walkways that enhanced safety and ADA compliance. The City, with support from Oakland County and Village staff also redirected Community Development Block Grant funds to design and build new ADA-compliant accessibility ramps on the 1927 Township Hall and the General Store, with construction scheduled for summer 2015.
 - Village events and operations were supported by over 120 volunteers who contributed over 6,000 hours of their time, representing nearly 3 full-time equivalent employees. Volunteers included undergraduate interns from Baker and Hillsdale Colleges and two graduate student interns from the Archive Certification Program at Wayne State University. Additionally two community service volunteers completed over 100 hours of work in the Village.
 - Two employees were hired through Excel Employment to provide janitorial services at the Village. This nonprofit organization provides assessment, training, placement services, and job coaches for adults with developmental challenges.

Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

- Collections Report (see Appendix).

IV. Organizational Culture – *Continue the transformation of the Troy Historical Society and Board of Trustees to a governance organization dedicated to the preservation and growth of the Troy Historic Village. Improve the level of expertise and performance of the staff and Board members through training, customer service, and community involvement.*

- New accounting procedures that insure separation of duties were implemented.
- THS Trustees participated in workshops to enhance Board recruitment, training, and performance.
- A new Volunteer Manual was completed, and a workgroup of Trustees and staff members is compiling a comprehensive Troy Historic Village Operations Manual.

Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

Business and Community Sponsors (*Denotes Major Sponsor)

Troy Traffic Jam

City of Troy*	Ajax Paving	Pennington Collision
Kelly Services*	M-1 Concourse	Sun Shade Window Tinting
Kirco/Columbia Center*	Master Auto Service	SunTel Services
Suburban Collection*	J & M Collision	

Scarecrow Glow

Achatz Pies	Kona Grill	Ruth's Chris Steak House
Fieldstone Winery	Mad Hatter Bistro	Zoyo Neighborhood Yogurt
Granite City Food & Brewery	Northern Lakes Seafood	

Scarecrow Row

Allegra Printing & Marketing	JDCTek	Stevens Worldwide Moving
Billy Sims BBQ	Kim's Restaurant	Tim Horton's— Troy
Century 21 Real Estate	LJPR Financial Advisors	Troy Public Library
Dairy Queen	Main Street Bank	Troy Rotary
Elizabeth Kaniarz - Thrivent	Ridley's Bakery Cafe	Troy Sports Center
Friends of Troy Public Library	Signs and More	WCI Contractors, Inc.

Trick or Treat and Christmas Event in the Village

Genisys Credit Union*		
AirTime	Grand Traverse Pie Company	Dr. Daniel O'Brien, DDS &
The Bagel Factory	Granite City Food & Brewery	The Art of Smiles
Benitos Pizza	Green's Art of Rochester	Mary Pell
Boy Scout Troop #1701	Judy Iceman	Tim Hortons – Troy
Cranbrook House & Gardens	Macy's	Toshiba
Cranbrook Institute of Science	Meijer	Troy High School Project LEAD
Emagine Entertainment	Nino Salvaggio's	Troy Garden Club

Donations for Raffles

Achatz Handmade Pies	Kraft Chiropractic	Ridleys Bakery Café
Auburn Oaks Garden Center	Kroger	Sherwin Williams
Backyard Birds, Birmingham	Kona Grill	SOCCRA
Bordine Nursery	LaVida Salon	Starbucks
Cornellius, Judy	Lowe's	SunTel Services
English Gardens	Maggiano's Little Italy	Telly's Greenhouse &
Granite City Food & Brewery	Meadow Brook Estate	Garden Center
Grindem, Jo	Meadow Brook Theatre	Toma's Salad Shop
Home Depot	Meijer	Trevarrow Ace Hardware
Iceman Family	Nino Salvaggio	Troy Nature Society
Kim's Restaurant	Preston, JoAnn	Uncle Luke's Feed Store
		Ye Olde Flower Barn

Troy Historical Society
Annual Report for Fiscal Year Ending June 30, 2015

Individual Donors

Edna Abraham	Mariane Harris
Brad Arbuckle	Albert and Mary Hatala
Mr. and Mrs. Michael Arnold	Gene Hopkins and Tamara Burns
Fred Barnard	John and Kinda Hupman
Theodore Batzer	Alison Iceman
Mary Jo and Richard Beaubien	Judy and Bruce Iceman
Mr. Robert Bishop	Marilyn and James Jarrait
Michael and Pamela Brady	Ms. Bonnie Kalef
Charles and Sharon Brennecke	Karen Kraft and John Karavias
Linda Buchanan and Ron Buchanan	Mary Kerwin
Jim Cameron	Joseph and Madonna Killewald
Loraine Campbell	Bob Knowles
Mr. and Mrs. Paul Clark	Padma Kuppa and Sudhakar Tadepalli
Sandra R. Clark	Steve Lama
Kimberly Coalson	Deborah and Jeff Lambrecht
Mary Cornelius	John and Linda Lamerato
Jim and Phoebe Crandall	Avis and F. C. Landmesser
Mr. & Mrs. Jim Cyrulewski	Charlie and Lisa Langton
Shirley and Greg Davidson	John and Sue Lavender
Henrietta Deloney	Hanson Lee
Hope Dixon	Russell and Tyra Lewis
Joyce and Charles Simmons Memorial Fund	Kevin and Susan Lindsey
Michele Dungjen	Edward Losiewicz
Don and Ida Edmunds	Jennifer Marcus
Janet Everson	Mr. & Mrs. Joseph Marecki
Joan Fischer	Kay McFarland
Wade and Paula Fleming	Pat and Mary McFawn Family Foundation
Sally M Flicker	Mr. & Mrs. Tim McGee
Mark F. Udold	Verna and James Meinershagen
Helen Gach	Vera Milz
Patricia Gates	Don Mouch
Frank and Jane Gerstenecker	Kenneth and Linda Noble
Ralph Glenn	Daniel J. O'Brien DDS
Mr. Earl Gravlin and Ms. Julia Sullivan	Catherine and Andrew OGawa
Ms. Diane Gurzick	Mr. & Mrs. Bob Olree
Mary Ann Hackett	Brian and Anne Partlan
Matthew and Lori Hackett	Anthony J. Perna

Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

Maria S. Price

John P. Ragan

Ward Randol

Fred and Muriel Rounds

Dale and Janet Schairer

Kamal Shouhayib

John and Peggy Sieffert

Matt and Heather Siekierski

Judy Siess

Viola Aspinwall Smith

Jeanne Stine

John Tagle

Doug Thornburg

Steve and Ann Toth

Marion D. Turowski

Richard Viinikainen

Mary J. Wallace

Jeanette Wareham

Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

FYE 2015 Volunteers

		Scarecrow GLOW	Scarecrow ROW	Trick or Treat	Christmas	Other
Swapnil	Akunuri					★
Alayna	Bardoni					★
Fred	Barnard			★	★	★
Jean	Behl				★	★
Gerald	Behl					★
Betty	Bernard					★
Ron	Bernard					★
Jennifer	Bieda					★
Emily	Blakowski					★
Kathleen	Blessing			★		★
Laura	Boeberitz			★		
Stacy	Boeberitz			★		
Ameya	Bokil					★
Mike	Brady					★
Pam	Brady					★
Jessica	Bray					★
Kathy	Briscoe					★
Nate	Brown					★
Linda	Buchanan		★	★		★
Ron	Buchanan		★	★		★
Seth	Bucholz	★		★		★
Andrew	Capelli					★
Jeni	Carino					★
Karol	Carter		★			★
Seth	Chafetz					★
Barb	Chambers	★		★	★	★
Paul	Clark					★
Mary	Cornelius					★
Phoebe	Crandall					★
James	Crandall					★
Mike	Culpepper					★
Helena	Daley					★
Linda	Davis			★	★	★
Judy	Davy			★		★
Gloria	Dixon					★
Jim	Dyar					★
Ida	Edmunds					★
Pat	Eisenberger				★	★

Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

FYE 2015 Volunteer Contributions

		Scarecrow GLOW	Scarecrow ROW	Trick or Treat	Christmas	Other
Pamela	Epple					★
Justin	Fernando					★
Nancy	Ferrel					★
Sally	Flicker					★
Bonnie	Franzoni	★		★		★
Colete	Fukuzawa					★
Helen	Gach	★				★
Sharon	Greenlees		★			
Jo	Grindem				★	★
Jahnavi	Gudi					★
Pat	Guibord		★			
Diane	Gurzick			★		★
Debbie	Hancock	★	★			★
Maxine	Harper					★
John	Heasley					★
Geoff	Hoerauf					★
Kathy	Hoffman			★	★	
Carol	Hoin-Koch			★		
Dorothy	Holter			★	★	★
Ed	Holter					★
Mary	Hrynik					★
Kinda	Hupman					★
Judy	Iceman	★		★	★	★
Alison	Iceman	★		★	★	★
Geof	Innis					★
Roger	Kaniarz				★	★
Mary	Kerwin					★
Beth	Knowlton				★	★
Rosemary	Kornacki	★	★	★	★	★
Aditi	Krishnan					★
Jeff	Lambrecht					★
Collin	Lambrecht					★
Sue	Lavender	★		★	★	★
John	Lavender	★		★	★	★
Samantha	Lawrence					★
Richard	Leach					★
Hanson	Lee				★	
Jaehee	Lee					★

Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

FYE 2015 Volunteer Contributions

		Scarecrow GLOW	Scarecrow ROW	Trick or Treat	Christmas	Other
Angela	Li				★	
Susan	Lindsey				★	★
Kevin	Lindsey				★	★
Beate	Loftus					★
Gail	Lucas			★		
Blake	Lucas			★		
Scott	Lucas			★		
Tessa	Lucas			★		
Wyatt	Lucas			★		
Ray	Lucas				★	★
Samantha	Malott					★
Glen	Marshall				★	★
Michelle	Marszalkowski				★	
Julie	Martz				★	★
Nichole	Mayes				★	
Dan	McCarville				★	★
Julie	McCormick	★		★		★
Kay	McFarland	★			★	★
Lynn	McLean		★			★
James	McQueen				★	
Geri	Musial					★
Penny	Myers					★
Terry	Navratil					★
LaToya	Newman					★
Mike	Niemiec					★
Sue	Novac					
Michael	Nowosatko			★	★	★
Marian	Nowosatko					★
Dr. Daniel	O'Brien			★		
Rani	O'Brien			★		
Stan	Ortwein					★
Mohamed	Osman					★
Carole	Packla					★
Anne	Partlan					★
Reggie	Pell	★		★	★	★
Priscilla	Perkins				★	
Madelyn	Porter					★
Kayla	Porter					★

FYE 2015 Volunteer Contributions

		Scarecrow GLOW	Scarecrow ROW	Trick or Treat	Christmas	Other
Diane	Preslow					★
JoAnn	Preston	★	★	★	★	★
Bob	Preston	★	★			
Erika	Proschkow					★
Jennifer	Pruss				★	
Ward	Randol	★		★	★	★
Maureen	Romanchik					★
Michelle	Romig					★
Kris	Rose				★	★
Fred	Rounds					★
Muriel	Rounds					★
Hadley	Roy					★
Judy	Rutherford					★
Jim	Ryan					★
Dale	Schairer					★
Janet	Schairer					★
Flo	Schultheiss					★
Shannon	Sears					★
Andrea	Seifferlein			★	★	★
Judy	Siess				★	★
Pam	Sejnowski			★		
Shimonti	Sengupta				★	
Jean	Shedlik					★
Lueda	Shemitraku					★
Neha	Srinivasan					★
Devon	Sterk					★
Cindy	Stewart	★			★	★
Jonathan	Strong	★		★		★
Kathleen	Strong	★				
Kathleen	Strong			★		
Nathan	Strong			★		
Justin	Strong			★		
Yolanda	Tenorio-Thomas		★			
Linda	Tingley				★	
Ann	Toth	★		★	★	★
Rita	Urbanski					★
Eriko	Usui					★
Jeff	Vallender					★

Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

FYE 2015 Volunteer Contributions

		Scarecrow GLOW	Scarecrow ROW	Trick or Treat	Christmas	Other
Sue	Vette				★	★
Siyang-Mimi	Wang					★
Bill	Warren	★	★		★	★
Sherry	Washburn					★
Rose	Weiss	★			★	★
Bill	Williams		★			
Frances	Willuweit					★
Sharon	Wisnewski	★				★
Pat	Wojciechowski				★	
Michael	Wong					★
Gerry	Young			★	★	★
Bill	Ziemba	★	★	★	★	★
Sable	Zuza	★				

Appendix 1– Collections Report

Interns and volunteers used for Collections Projects:

- Grace Pheiffer (Volunteer, 40 Hours) Scanned THS institutional photographs from large file drawers in main building/ Collections Office Upstairs as well as some Garden Club Materials.
- Kris Kniffen (Wayne State Mini-Practicum Student, 40 Hours) Scanned slides and THS institutional photographs from large file drawers in main building / collections office upstairs.
- Lauren Dreger (Wayne State Practicum Student, 135 Hours) Processed the Dorothy Scott Collection, created a finding guide, re-organized boxes and relabeled file folders, put labels on boxes.
- Seth Chavez. (Community Service Worker, Currently 30+ Hours) Cleaned, organized, and built shelves for Main Building Basement/ Education and Events rooms. He also helped assemble and tear down the Huntington Bank Embracing Excellence event.
- Donovan Odeh (Community Service Worker, about 25 hours) Cleanup in General Store basement post-construction; assisted with takedown of Scarecrow Glow, cleanup in Jail Cell. He also assisted the transport of old Tax Rolls to SOCRRA.
- 270 hours of volunteers hours were used by Collections Staff since October 2014.

Donations Received:

- Camera Collection including over 100 items was accepted. Some cameras were used in the foyer exhibit. The donor gave the written permission to sell/use unwanted cameras to raise funds for collections. I am following up with camera collectors recommended by a volunteer.
- International Association of Administrative Professionals (IAAP) Local Chapter records, scrapbooks, and other memorabilia since the inception of the chapter in 1955.
- Fire Department Materials courtesy of Fred Barnard
- Family bible from a deceased Troy Family
- Other miscellaneous donations earmarked for education collection include some hand-held farm implements and an old flag. An anonymous donation of cards and hankies was also dropped off.

Donations removed from collection:

- Friends of Troy Library Scrapbooks (10 Volumes) returned to FTPL at the request of Library Director Cathleen Russ
- Several rugs previously donated for use were destroyed by water damage in the Fall, 2014 flood.

Troy Historical Society

Annual Report for Fiscal Year Ending June 30, 2015

- Tax Records from 1940-1989- Due to the large amount of space and weight the bound volumes put on the archive floor. The volumes were checked prior to disposal to insure that sensitive personal information was not was divulged. Michigan State Library would like the volumes from the 5 and 0 years. Pickup is pending.

Embracing Excellence– Artifacts were borrowed from and returned to the following individuals:

Rouba Samman
Caitlin Brennecke
Jen Hilzinger
Kinda Hupman
Kristin Kniffen
Padma Kuppa

John Lavender
Diana and Frank Luberti
Victoria Mobley
Susan Price
Linda Shears

Community Projects:

Police Department Photos Scanned for their upcoming anniversary celebration.
Contact person: Meghan Lehman.

Fire Department Photos scanned for their upcoming anniversary celebration
Contact person: Charles Noonan, City of Troy

Fire department artifacts loaned for upcoming celebration
Contact person: Chuck Roberts, Troy Fire Department

C&G Troy Times front covers scanned and delivered to C&G offices in Warren
Contact person: Terry Oparka, Troy Times

Major Collections Staff Projects:

Presentation, 2015 Annual Michigan Local History Conference (complete)
Presentation, Society of American Archivists National Conference (Summer 2015)
Survey of General Store Archives (Complete)
Removed tax ledgers from 1940-1989 completed. Pickup of 5 and 10 year volumes is pending.
Institutional Memory Scans (Underway for next year's THS anniversary)
Ongoing 365 Scans
Digitization of previous donor cards (underway)
Updating collections forms (underway)
Creating a procedure manual (started)

Respectfully submitted,
Elizabeth Thornburg
Curator

TROY HISTORICAL SOCIETY
(a non-profit corporation)

FINANCIAL STATEMENTS

For the year ended June 30, 2015

TROY HISTORICAL SOCIETY

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Lazzara & Company, P.C.

Certified Public Accountants
Certified Valuation Analysts
Business Advisors & Consultants

"We're in the business of caring"

Michael J. Lazzara, CPA, MBA, CVA
Mary Ellen Taylor, CPA
David A. Lazzara, CPA

David H. Martin, CPA
Randall C. DiFalco, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Troy Historical Society
Troy, Michigan

We have audited the accompanying financial statements of Troy Historical Society, a Michigan non-profit corporation, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

16010 Nineteen Mile Road, Suite 102, Clinton Township, MI 48038

Phone 586.263.1000 Fax 586.263.1005

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Troy Historical Society as of June 30, 2015, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lazzara & Company, P.C.

LAZZARA & COMPANY, P.C.
November 23, 2015

TROY HISTORICAL SOCIETY
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2015

ASSETS

CURRENT ASSETS

Cash	\$ 19,423
Cash - restricted	8,052
Inventory	12,813
Prepaid expenses	<u>3,057</u>

TOTAL CURRENT ASSETS 43,345

PROPERTY AND EQUIPMENT

Office equipment and signs	34,282
Less: accumulated depreciation	<u>(7,432)</u>

PROPERTY AND EQUIPMENT, NET 26,850

TOTAL ASSETS \$ 70,195

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued expenses	\$ 3,019
Rental deposits payable	1,075
Capital lease payable, current	8,555
Deferred revenue	<u>9,142</u>

TOTAL CURRENT LIABILITIES 21,791

LONG TERM LIABILITIES

Capital lease payable, non-current	<u>5,475</u>
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NET ASSETS

Unrestricted	34,666
Temporarily restricted	<u>8,263</u>

TOTAL NET ASSETS 42,929

TOTAL LIABILITIES AND NET ASSETS \$ 70,195

The accompanying notes to financial statements are an integral part of these financial statements

TROY HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Donations	\$ 57,695	\$ 6,300	\$ 63,995
Program revenue	119,422	-	119,422
Admissions	7,603	-	7,603
Merchandise sales	15,004	224	15,228
In-kind donations	22,367	-	22,367
Memberships	6,650	-	6,650
Rental income	12,473	-	12,473
Sponsorships	26,250	-	26,250
Grants	75,000	34,400	109,400
Fundraising	15,706	-	15,706
Interest	10	-	10
Other	1,474	-	1,474
Net assets released from restrictions	<u>38,850</u>	<u>(38,850)</u>	<u>-</u>
Total public support and revenue	<u>398,504</u>	<u>2,074</u>	<u>400,578</u>
Expenses			
Program services	265,594	-	265,594
Fundraising	57,070	-	57,070
Management and general	<u>104,486</u>	<u>-</u>	<u>104,486</u>
Total expenses	<u>427,150</u>	<u>-</u>	<u>427,150</u>
Change in Net Assets	<u>\$ (28,646)</u>	<u>\$ 2,074</u>	<u>\$ (26,572)</u>

The accompanying notes to financial statements are an integral part of these financial statements

TROY HISTORICAL SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net Assets, July 1, 2014	\$ 63,312	\$ 6,189	\$ 69,501
Change in net assets for the year ended June 30, 2015	<u>(28,646)</u>	<u>2,074</u>	<u>(26,572)</u>
Net Assets, June 30, 2015	<u>\$ 34,666</u>	<u>\$ 8,263</u>	<u>\$ 42,929</u>

The accompanying notes to financial statements are an integral part of these financial statements

TROY HISTORICAL SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (26,572)
Adjustments to reconcile decrease in net assets to net cash used by operating activities	
Depreciation expense	4,897
(Increase) decrease in operating assets	
Reimbursement receivable	413
Inventory	(1,309)
Prepaid expenses	1,205
Increase (decrease) in operating liabilities	
Accrued expenses	(3,869)
Rental deposits payable	(1,250)
Deferred revenue	<u>(8,498)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(34,983)</u>
CASH FLOWS USE FROM FINANCING ACTIVITIES	
Capital lease installment payments	<u>(7,609)</u>
NET DECREASE IN CASH	(42,592)
CASH, JULY 1, 2014	<u>70,067</u>
CASH, JUNE 30, 2015	<u>\$ 27,475</u>

SUPPLEMENTAL DISCLOSURES

Interest paid	<u>\$ 2,182</u>
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The accompanying notes to financial statements are an integral part of these financial statements

TROY HISTORICAL SOCIETY
Notes to Financial Statements
June 30, 2015

Note 1 - Nature of Organization

Troy Historical Society (the Organization) is a non-profit corporation located in Troy, Michigan that promotes the knowledge and appreciation of local, state and national heritage among its citizens and school children. The Organization was formed in order to foster and encourage the collection and preservation of historical artifacts and to study and conduct historical research. The Organization's source of revenue is principally donations and program revenue.

The Troy Historic Village

Effective July 1, 2011 the City of Troy entered into a 5 year non-exclusive agreement with the Troy Historical Society that allows the Organization to occupy and use the Troy Historic Village and its buildings for the sole purpose of promoting the mission and vision of the City of Troy and the Troy Historical Society through mission and vision focused historical programs. Under this agreement the Organization is authorized to manage and operate the Village and will retain all revenues earned from the Village operation (see note 3).

The Heritage Campaign

In 2006 the Troy Historical Society embarked on a major capital campaign to expand and improve the Troy Historic Village. The Campaign encompasses five projects: relocation and rehabilitation of the Niles-Barnard House; reconstruction and rehabilitation of a Historic Barn; Adaptive Reuse of the 1927 Township Hall; creation of a Gateway to the Village Green; and creation of an Endowment Maintenance Fund for the buildings and the Village Green. Once the Niles-Barnard House was relocated and stabilized, the campaign was paused as the Troy Historical Society assumed operations of the Troy Historic Village, and fundraising efforts of the Society were focused on producing donations to apply to the operation of the Village. The Heritage Campaign will be continued in the future as Troy Historic Village operations become self-sustaining (see note 3).

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Organization places its temporary cash investments with high credit quality financial institutions. At June 30, 2015, the Organization maintained cash balances in regular checking accounts and money market accounts.

TROY HISTORICAL SOCIETY
Notes to Financial Statements
June 30, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Receivables

Contributions and grants are recognized when there is a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are not included as revenue until such time as the conditions have been substantially met. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on past experience and management's analysis of specific promises made. At June 30, 2015, there were no receivables and no allowance for uncollectible receivables.

Inventory

The Village Store retail inventory is valued at the lower of cost or market. Certain books included in the inventory totaling \$211 and the future sales of these books are restricted to the Heritage Campaign. At June 30, 2015, inventory of \$12,813 consisted of inventory for resale of \$11,172 and supplies inventory of \$1,641.

Property and Equipment

Property and equipment are recorded at cost when purchased and at fair market value when contributed. Maintenance and repairs are charged to current operations as incurred, whereas major improvements are capitalized. Office equipment is depreciated on a straight line basis over a useful life of 7 years.

Functional Expenses

The costs of providing program and supporting services have been reported on a functional basis in the statement of activities and changes in net assets. Direct and indirect costs have been allocated between programs and general and administrative based on estimates from management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

The Organization is a private, non-profit organization operating in accordance with Section 501(c)(3) of the Internal Revenue Code. The Organization has no uncertain tax positions that qualify for either recognition or disclosure in these financial statements.

Deferred Revenue

Deferred revenue consists of advances for future programs, events, rents and grants. The Organization recognizes revenue once the program, event or rental has concluded. Grants are recognized once the funds are allowed to be utilized as called for under the grant conditions.

TROY HISTORICAL SOCIETY
Notes to Financial Statements
June 30, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Classification of Net Assets

Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified as temporarily restricted, permanently restricted or unrestricted. Donor-imposed restrictions that expire with the passage of time, or that can be removed by meeting certain requirements, are classified as temporarily restricted net assets.

Unrestricted Net Assets - This portion of the Organization's net assets is available for general obligations and is not subject to any donor-imposed restrictions. Revenues earned, program services provided, unrestricted contributions and all operating expenses are reported in this category. The Organization records donor-restricted contributions, whose restrictions have been satisfied in the same reporting period, as unrestricted support in such year.

Temporarily Restricted Net Assets - This portion of the Organization's net assets is limited to use specified by donor-imposed restrictions. When donor restrictions expire, or the nature and purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets, and reported in the accompanying statement of activities and changes in net assets, as net assets are released from restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributed Services

The Organization generally pays for services requiring specific expertise and employs a combination of part-time and full time employees. Many individuals volunteer their time and perform a variety of tasks that assist in the administration and operations of the Organization, consequently, no amounts have been reflected in the financial statements for donated volunteer services.

Subsequent Events

Subsequent events have been evaluated through November 23, 2015 which is the date the financial statements were available to be issued.

TROY HISTORICAL SOCIETY
Notes to Financial Statements
June 30, 2015

Note 3 – Contracts

Heritage Campaign - The Troy Historical Society has entered into an agreement with the City of Troy that requires both parties to work together in order to achieve the goal of completing the five projects as described as the Heritage Campaign (see note 1). The total cost estimate to complete the Heritage Campaign is approximately \$7,700,000. The Troy Historical Society's main commitment, called for in the contract, is to seek donations from corporations, foundations, governmental agencies and individuals in order to raise the required funds. The Society will also assist the City of Troy in other various administration duties related to the Heritage Campaign Projects.

The Troy Historic Village – Effective July 1, 2011 the City of Troy entered into a five year non-exclusive agreement with the Troy Historical Society that allows the Organization to occupy and use the Troy Historic Village and its buildings for the sole purpose of promoting the mission and vision of the City of Troy and the Troy Historical Society through mission and vision focused historical programs. Under this agreement the Organization is authorized to manage and operate the Troy Village and will retain all revenues earned from the Village operation. The City of Troy will provide an annual operations appropriation to the Organization to cover the utilities, insurance, building maintenance, ground maintenance, and trash. The five year contract with the City of Troy is set to expire on June 30, 2016; however management is confident that the contract will be extended for several additional years.

The City of Troy will maintain a separate \$50,000 capital fund for repairs and improvements which will be renewed to a balance of \$50,000 each year.

Note 4 – Troy Historical Village Store

On April 1, 2009, the Troy Museum Guild (Gift Shop) became a standing committee of the Troy Historical Society and in July 2011 was renamed "The Village Store". The Troy Historical Society continues operate the store, and any net proceeds will contribute to the Organization's causes as described in its Operation Guidelines.

Note 5 - Fair Value of Financial Instruments

The financial position of the Organization at June 30, 2015 includes certain financial instruments that may have a fair value that is different from the value currently reflected in the financial statements. The carrying amounts of financial instruments, including cash and cash equivalents, accrued expenses, payables and deferred revenue approximated fair value at June 30, 2015 because of the relatively short maturity of these instruments.

TROY HISTORICAL SOCIETY
Notes to Financial Statements
June 30, 2015

Note 6 – In Kind Contributions

In kind contributions of property and services are valued at the fair value of the contribution provided. For the year ended June 30, 2015 there was an in kind contribution that totaled \$21,925 for the design of the Troy Historical Society website.

Note 7 – Concentration of Revenue

One grant accounted for approximately 18.7% of the total revenue received by the Organization during the year.

Note 8 – Operating Leases and Other Obligations

The Organization has entered into various obligations as described below:

The Organization entered into a new 3 year service agreement for telephone services which began on January 28, 2014. Early termination of this agreement will result in a recurring monthly charge of \$332 for the remaining term of the agreement. Telephone expense under this agreement totaled \$4,025 for the fiscal year.

The Organization has entered into a one year, automatic renewing, service agreement for network monitoring and backup services for \$330 per month. The agreement can be canceled prior to the renewal by providing 30 days notice. Total expense under this agreement totaled \$5,412 for the fiscal year.

The Organization has entered into a 5 year lease agreement for office equipment with monthly payments of \$114. This agreement ends in March, 2020. Lease expense for the fiscal year totaled \$903.

During the year a lease of office equipment expired. Lease expense for the fiscal year totaled \$432.

Future payments under the above agreements are as follows:

For the fiscal year ending:	
June 30, 2016	\$9,312
June 30, 2017	7,652
June 30, 2018	5,328
June 30, 2019	5,328
June 30, 2020	4,872
June 30, 2020 and forward until canceled	3,960

TROY HISTORICAL SOCIETY
Notes to Financial Statements
June 30, 2015

Note 9 – Capital Lease

The Organization's property under capital leases, which is included in property and equipment, is summarized as follows:

Office equipment	\$25,032
Less: accumulated amortization	<u>(4,768)</u>
	<u>\$20,264</u>

The following is a schedule of future minimum future lease payments under the capital lease together with the present value of the net minimum lease payments as of June 30, 2015:

For the fiscal year ending:

June 30, 2016	\$ 9,756
June 30, 2017	<u>5,692</u>
Total future minimum lease payments	15,448
Less: amount representing interest	<u>1,418</u>
Present value of future minimum lease payments	14,030
Less: current maturities	<u>8,555</u>
Long-term obligation under capital lease	<u>\$ 5,475</u>

The effective annual interest rate of the capital lease is approximately 11.78%. Total interest expense for the fiscal year ended June 30, 2015 for the capital lease obligation amounted to \$2,147. The office equipment is pledged as collateral for the capital lease obligation.

Note 10 – Subsequent Events

Subsequent events have been evaluated through November 23, 2015, which is the date the financial statements were available to be issued.

On July 10, 2015, the City of Troy made a \$75,000 grant to the Organization that is to be used for operations.

On September 15, 2015 the Kresge Foundation made a grant to the organization of \$15,000 to be used for the Museum operations.

TROY HISTORICAL SOCIETY
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Fundraising</u>	<u>Management and General</u>	
Contracted Services				
Contract services	\$ 12,179	\$ -	\$ -	\$ 12,179
Food and beverage	<u>611</u>	<u>24</u>	<u>193</u>	<u>828</u>
Total contracted services and expenses	<u>12,790</u>	<u>24</u>	<u>193</u>	<u>13,007</u>
Direct Expenses				
Payroll and related expenses	80,434	-	-	80,434
Lectures and exhibit fees	3,168	-	-	3,168
Supplies	11,580	4,675	-	16,255
Merchandise and awards	<u>7,388</u>	<u>-</u>	<u>-</u>	<u>7,388</u>
Total direct program expenses	<u>102,570</u>	<u>4,675</u>	<u>-</u>	<u>107,245</u>
Occupancy Expenses				
General liability insurance	<u>50</u>	<u>50</u>	<u>2,848</u>	<u>2,948</u>
Administrative Expenses				
Advertising	4,833	302	555	5,690
Payroll and related expenses	108,240	50,192	66,382	224,814
Rental expenses	3,393	-	650	4,043
Office, printing and postage	5,560	1,387	2,341	9,288
Insurance	-	-	399	399
Professional fees	860	-	6,515	7,375
Website design	21,963	130	252	22,345
Supplies	2,191	-	5,523	7,714
Repairs and maintenance	1,593	-	148	1,741
Computer, copier and telephone	-	-	9,462	9,462
Depreciation	-	-	4,897	4,897
Bank service charges	<u>1,467</u>	<u>310</u>	<u>417</u>	<u>2,194</u>
Total administrative expenses	<u>150,100</u>	<u>52,321</u>	<u>97,541</u>	<u>299,962</u>
Other Expenses				
Travel	-	-	149	149
Interest	-	-	2,182	2,182
Miscellaneous expense	<u>84</u>	<u>-</u>	<u>1,573</u>	<u>1,657</u>
Total other expenses	<u>84</u>	<u>-</u>	<u>3,904</u>	<u>3,988</u>
Total functional expenses	<u>\$ 265,594</u>	<u>\$ 57,070</u>	<u>\$ 104,486</u>	<u>\$ 427,150</u>