A. CALL TO ORDER:

A Special Budget Study Meeting of the Troy City Council was held on Monday, April 25, 2016, at City Hall, 500 W. Big Beaver Rd. Mayor Slater called the meeting to order at 6:01 PM.

B. ROLL CALL:

(a) Mayor Dane Slater
Edna Abrahim
Ethan Baker
Jim Campbell
Dave Henderson
Ellen Hodorek
Mayor Pro Tem Ed Pennington

C. DISCUSSION ITEM:

C-1 Proposed Fiscal Year 2016/17 Annual Budget and Three-Year Budget

(Budget is available for review at the City Clerk's Office, Troy Public Library and on the City's website http://www.troymi.gov/budget/)

City Manager Brian Kischnick recapped the agenda and discussion from the Budget Study Session held on April 21, 2016. He then introduced the topics that were covered during this meeting: Taxable Value, Public Safety and Water Rates.

Nino Licari, City Assessor, discussed the topic of Taxable Value. Mayor Slater highlighted the small 1% or less than 1% increases in taxable value that don't generate a lot of revenue for the City. Mr. Licari said that new construction and property sales are what generate revenue whereas new businesses moving into vacant spaces do not generate new tax revenue for the City. Council Member Henderson asked if taxes are different for July to December vs January to June. Mr. Licari said that taxes are based on taxable value so if a building is only partially completed in December, the whole following year will show taxes based on the value of the incomplete building. Mr. Kischnick highlighted that all of the new developments such as new hotels and offices generated just over $200,000 in tax revenue for the City.

Fire Chief Dave Roberts discussed the topic of Public Safety and the collaboration that takes place between the Fire Department, Police Department and ambulance service providers.

Police Chief Gary Mayer discussed the topic of Police Department cooperatives. He highlighted SOCCIT (South Oakland County Crash Investigation Team), the cooperative between Auburn Hills, Bloomfield Hills, Bloomfield Township and Troy. Chief Mayer discussed the MCAT (Major Case Assistance Team) cooperative. He explained that MCAT is a cooperative between Auburn Hills, Birmingham, Bloomfield Hills, Bloomfield Township, Clawson, the FBI, Oakland County Sheriff, Rochester and Troy. Chief Mayer said that by utilizing cooperatives, the Troy Police Department is able to maintain adequate staff for the day-to-day operations and have the ability to reach out to other communities for help during major incidents. Chief Mayer discussed the benefits and uses of the Troy Police & Fire Training Center.

Paul Trosper, Superintendent of Water & Sewer, discussed the topic of Water Rates as well as water system functions and changes. Mr. Kischnick discussed revenues, expenses and volumes of water by year in Troy from 2012 to 2016. Mayor Slater asked if the move to Great Lakes Water Authority has affected the City's efforts to impose watering restrictions in order to save money. Tim Richnak, Director of Public Works, answered that Troy does still see a savings by restricting watering according to peak hours and peak days. He said that rates will balance out with other communities by maintaining the restrictions. Tom Darling, Director of Financial Services, explained how Troy's water rates are determined based on water usage of Troy but also the communities surrounding Troy. He indicated the question for City Council to decide is whether to increase the Water Sale Rate in order to generate enough revenue to cover the water expenditures. Mr. Kischnick explained that the recommendation from the FIT (Financial Ideas Team) was to increase the water sale rate by 11.9% (increase to $38.50) for the 2016-2017 Budget. Council Member Henderson asked Mr. Darling to explain what will happen to the revenue if the rate estimate is off by 5% in either direction. Mr. Darling also explained how the water sale rate is calculated and that Troy only increases our water sale rate based on increases imposed by Great Lakes Water Authority. Council Member Henderson asked for clarification about copper vs lead plumbing. Mr. Trosper said that there are less than ten services in the City of Troy that are lead but he personally has never found lead services. He said that if a property owner discovers lead pipe in the residence, the owner should contact the Department of Public Works for assistance.

Mayor Pro Tem Pennington asked if Detroit water is still considered the best quality water. Mr. Trosper answered that the quality of water coming from the Great Lakes is of the highest quality.

Mayor Slater commended the FIT (Financial Ideas Team) for their hard work in developing the water sale rate recommendation. Mr. Kischnick commented that there were multiple groups in the FIT and the average recommendation was $38.50. There was a consensus of City Council to continue with the recommendation for the water sale rate increase to $38.50 for the 2016-2017 Budget.

Council Member Henderson asked if the sewer water is metered. Mr. Trosper answered that it used to be metered but now there is just one fixed rate based on incoming water that also covers the cost of sewer services.

Council Member Hodorek commented that she appreciates the hours and hard work that went into producing the Budget document. She encouraged residents and business owners to contact the City if they have any questions or comments regarding the Budget. She expressed appreciation for best practices maintained by City Administration.

D. PUBLIC COMMENT:

E. ADJOURNMENT:

The Meeting **ADJOURNED** at 7:17 PM.

Mayor Dane Slater

M. Aileen Dickson, MMC
City Clerk