



TROY CITY COUNCIL

REGULAR MEETING

AGENDA

DECEMBER 5, 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@troymi.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

2016 Strategies

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** Create space for a customer service welcome center at the east entrance of City Hall.
- 2** Redesign the City of Troy website.
- 3** Review city ordinances to address outdated policies and explore the need for new ordinances.
- 4** Install recycling elements in city facilities.
- 5** Link civic center campus with a trail and pathway system.
- 6** Establish site development design standards to ensure quality.
- 7** Explore the development of civic center property by conducting a market study and developing a concept plan.
- 8** Launch the Global Troy Advisory Committee.
- 9** Enhance the pedestrian crosswalk and transportation shelters at Automation Alley.
- 10** Partner to establish a Big Beaver transportation service.



CITY COUNCIL AGENDA

December 5, 2016 – 7:30 PM
Council Chambers
City Hall - 500 West Big Beaver
Troy, Michigan 48084
(248) 524-3317

INVOCATION: Exec. Pastor Patrick Rowland from Woodside Bible Church **1**

PLEDGE OF ALLEGIANCE: **1**

A. CALL TO ORDER: **1**

B. ROLL CALL: **1**

C. CERTIFICATES OF RECOGNITION AND SPECIAL PRESENTATIONS: **1**

C-1 Announcement of the Annual Christmas Tree Lighting and Winter Wonderland
(Presented by: Community Affairs Director Cindy Stewart, Library Director Cathy Russ and Recreation Director Elaine Bo) **1**

C-2 Announcement of AT&T Challenge Grant for TPL Endowment Fund *(Presented by: Library Director Cathy Russ)* **1**

C-3 On Behalf of the City of Troy Employees' Casual for a Cause Program for the Months of July, August and September 2016, Community Affairs Director Cindy Stewart will Present a Check in the Amount of \$609.50 to Nancy Morrison, Executive Director of the Troy Community Coalition **1**

C-4 Proclamation Celebrating George Shaouni and Powerhouse Gym – 25 Years in Troy *(Presented by: Mayor Dane Slater)* **1**

C-5 Audit Report *(Presented by: Thomas Darling, Financial Services Director)* **1**

C-6 Fire Station 4 Construction Update *(Presented by: Fire Chief Dave Roberts)* **2**

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December 18, 2017 Regular Meeting..... 17

INVOCATION: Exec. Pastor Patrick Rowland from Woodside Bible Church

PLEDGE OF ALLEGIANCE:

A. CALL TO ORDER:

B. ROLL CALL:

- a) Mayor Dane Slater
Edna Abraham
Ethan Baker
Dave Henderson
Mayor Pro Tem Ellen Hodorek
Paul McCown
Ed Pennington

b) Excuse Absent Council Members:

Suggested Resolution

Resolution #2016-12-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **EXCUSES** the absence of _____ at the Regular City Council Meeting of December 5, 2016, due to _____.

Yes:

No:

C. CERTIFICATES OF RECOGNITION AND SPECIAL PRESENTATIONS:

C-1 Announcement of the Annual Christmas Tree Lighting and Winter Wonderland *(Presented by: Community Affairs Director Cindy Stewart, Library Director Cathy Russ and Recreation Director Elaine Bo)*

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C-3 On Behalf of the City of Troy Employees' Casual for a Cause Program for the Months of July, August and September 2016, Community Affairs Director Cindy Stewart will Present a Check in the Amount of \$609.50 to Nancy Morrison, Executive Director of the Troy Community Coalition

C-4 Proclamation Celebrating George Shaouni and Powerhouse Gym – 25 Years in Troy *(Presented by: Mayor Dane Slater)*

C-5 Audit Report *(Presented by: Thomas Darling, Financial Services Director)*

C-6 Fire Station 4 Construction Update (Presented by: Fire Chief Dave Roberts)**D. CARRYOVER ITEMS:****D-1 No Carryover Items****E. PUBLIC HEARINGS:****E-1 Community Development Block Grant (CDBG) 2017 Application and Public Hearing (Introduced by: Cindy Stewart, Community Affairs Director)**Suggested Resolution

Resolution #2016-12-

Moved by

Seconded by

WHEREAS, Oakland County is preparing an Annual Action Plan to meet application requirements for the Community Development Block Grant (CDBG) program, and other Community Planning and Development (CPD) programs; and,

WHEREAS, Oakland County has requested CDBG-eligible projects from participating communities for inclusion in the Action Plan; and,

WHEREAS, The City of Troy has duly advertised and conducted a public hearing on December 5, 2016 for the purpose of receiving public comments regarding the proposed use of PY 2017 Community Development Block Grant (CDBG) funds in the approximate amount of \$143,177.00; and,

WHEREAS, The City of Troy found that the following projects meet the federal objectives of the CDBG program and are prioritized by the community as high priority need:

Account Number	Project Name	Amount
172170-731280	Non-Residential Historic Preservation	\$100,224.00
172160-732170	Public Services (Yard Services)	\$ 42,953.00

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **AUTHORIZES** City Administration to submit the City of Troy CDBG application to Oakland County for inclusion in Oakland County's Annual Action Plan to the U.S. Department of Housing and Urban Development, and that the Mayor is hereby **AUTHORIZED** to execute all documents, agreements, or contracts which result from this application to Oakland County.

Yes:

No:

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 – None

a) Mayoral Appointments: None

b) City Council Appointments: None

I-2 Board and Committee Nominations: a) Mayoral Nominations – Global Troy Advisory Committee, Local Development Finance Authority, Planning Commission, Volunteer Firefighter Incentive Plan Board; b) City Council Nominations – Charter Revision Committee, Employees Retirement System Board of Trustees / Retiree Health Care Benefits Plan and Trust, Historic District Commission, Liquor Advisory Committee, Traffic Committee

a) Mayoral Nominations:

Suggested Resolution

Resolution #2016-12-

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:

Global Troy Advisory Committee

Appointed by Mayor
11 Regular Members
3 Year Term

Current Members:

Last Name	First Name	App Resume Expire	Appointment Expire	Notes 1
Bagri	Samir	5/10/2018	10/30/2018	
Balaraman	Venkatesan	5/11/2018	10/30/2017	
Bica-Grodsky	Lisa	6/23/2018	10/30/2017	
Burrus	MiVida	7/15/2018	10/30/2019	
Chamberlain-Creanga	Rebecca	5/23/2018	10/30/2017	
Coon	Richard	4/22/2018	10/30/2019	
Fakhoury	Awni	4/28/2018	10/30/2018	
Mohideen	Syeda	4/22/2018	10/30/2018	
Natcheva	Daniela	6/24/2018	10/30/2019	
Samman	Rouba	4/8/2018	10/30/2019	
Slater	Dane			Mayor Appt.
Young	Ricky	4/22/2018	7/31/2017	STUDENT

Nominations to the Global Troy Advisory Committee:**Term Expires: 10/30/2019****Term Expires: 7/31/2017****STUDENT****Interested Applicants:**

Last Name	First Name	App Resume Expire	Notes 1
Angamuthu	Rahul	4/21/2018	STUDENT
Aowad	Ayman	8/22/2018	
Buchanan	Cynthia	4/20/2018	
Chan	Tai	4/18/2018	
O'Brien	Christine	7/18/2018	
Razzacki	Syed	9/9/2018	
Schneeweis	Adina	5/6/2018	
Sekhri	Suneel	6/15/2018	
Xu	Chao	11/23/2018	
Zhou	Yudong	11/14/2018	

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		City Council exp 11/13/2017
Hoef	Paul V.	5/1/2017	6/30/2019	Resident Member	EDC exp 4/30/2015
Sharp	John	3/28/2018	6/30/2020	Resident Member	EDC exp 4/30/2015
Shields	David	6/14/2014	6/30/2016	Member	NO Reappointment
Slater	Dane M.		11/11/2019	Alternate	DDA
Spanos	Irene				Oakland County
Vitale	Nickolas	4/27/2017	6/30/2019	Resident Member	

Nominations to the Local Development Finance Authority (LDFA):**Term Expires: 6/30/2020****Member**

Term currently held by: David Shields

Interested Applicants:

Last Name	First Name	App Resume Expire	Notes 1
Schick	Michael	1/13/2017	
Xu	Chao	11/23/2018	

Planning Commission

Appointed by Mayor
9 Regular Members
3 Year Term

Current Members:

Last Name	First Name	App Res Expire	Appointment Expire	Notes 2	Notes 3
Apahidean	Ollie	11/22/2015	12/31/2017		
Crusse	Karen	11/13/2016	12/31/2017		

Edmunds	Donald L.	11/15/2012	12/31/2016	EDC exp 4/30/3014	Requests Reappointment
Faison	Carlton	7/1/2017	12/31/2017		
Hao	Claire	3/10/2018	7/31/2017		
Hutson	Michael W.	10/8/2017	12/31/2018	Sust Design Rev Comm-Ad Hoc	
Krent	Thomas G.	9/20/2015	12/31/2016		Requests Reappointment
Kuppa	Padma	12/18/2016	12/31/2016		Requests Reappointment
Sanzica	Philip	10/15/2017	12/31/2018		
Tagle	John	11/13/2017	12/31/2018		

Nominations to the Planning Commission:

Term Expires: 12/31/2019

Term currently held by: Donald Edmunds

Term Expires: 12/31/2019

Term currently held by: Thomas Krent

Term Expires: 12/31/2019

Term currently held by: Padma Kuppa

Interested Applicants:

Last Name	First Name	App Resume Expire	Notes 2
Balaraman	Venkatesan	5/11/2018	
Chiapelli	Larry	7/13/2017	
Eisenbacher	David	3/16/2018	ZBA exp 4/30/2019
Frisen	Sande	11/2/2017	
Johnson	Donald	11/23/2018	
Kaltsounis	Andrew	11/24/2017	Liquor Advisory Comm. exp 1/31/2019
Kaltsounis	Orestis Rusty	10/8/2017	P&R Bd exp 9/30/2018; ZBA (Alt.) exp 1/31/2018
Kornacki	Rosemary	8/27/2017	Brownfield Redev Auth exp 4/30/2017
Lambert	Dave	12/8/2017	ZBA exp 4/30/2017
Mihelick	J. Travis	9/27/2018	
Schick	Michael	1/13/2017	
Sekhri	Arun	8/17/2018	
Talarico	Paula M	1/8/2017	

Volunteer Firefighter Incentive Plan Board

Appointed by Mayor
7 Regular Members
3 Year Term

Current Members:

Last Name	First Name	Appointment Expire	Notes 1
Darling	Tom		Ex-Officio Member
Henderson	Dave		Council Member
Kischnick	Brian		Ex-Officio Member

Nominations to the Volunteer Firefighter Incentive Plan Board:**Term Expires: 4/30/2019****Citizen (Mayor Appt'd)**

Last Name	First Name	App Resume Expire	Notes 1
Matlick	Robert	5/27/2018	
Mohideen	Syeda	4/22/2018	

Yes:

No:

b) City Council Nominations:Suggested Resolution

Resolution #2016-12-

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:

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
Bartnik	Mark	1/31/2018	04/30/2018	
Berk	Robert	3/28/2018	4/30/2019	
Howrylak	Frank	2/1/2014	4/30/2017	

Kanoza	Shirley	3/28/2018	4/30/2019	
Murray	William	5/23/2018	4/30/2018	
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: William Weisgerber

Interested Applicants:

No applications or resumes 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	12/31/2018	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	
Owczarzak	Mark	4/13/2018	12/31/2016	City of Troy Retiree	
Pallotta	Steven		12/31/2017	DC Employee Rep-Elected	
Stansbury	Milt	11/2/2017	12/31/2018	DC Employee Rep-Elected	

Nominations to the Employees Retirement System Board of Trustees / Retiree Health Care Benefits Plan and Trust:

Term Expires: 12/31/2019

Term currently held by: Mark Owczarzak

Interested Applicants:

Last Name	First Name	App Resume Date	App Resume Expire	Notes 1
Alali	Yasser	6/14/2016	6/14/2018	

Keating	Peter M.	4/26/2016	4/26/2018	
Murray	William W.	5/23/2016	5/23/2018	

Historic District Commission

Appointed by Council
7 Regular Members
3 Year Term

Current Members:

Last Name	First Name	App Res Expire	Appointment Expire	Notes 3
Adams	John	12/19/2016	5/15/2018	
Chambers	Barbara	12/20/2015	3/1/2017	
McGee	Timothy	5/7/2017	5/15/2018	P&R exp 9/30/17
Petrulis	Al	1/8/2016	3/1/2017	ACAB exp 9/30/18; TC exp 1/31/17
Talarico	Paula	1/8/2017	3/1/2018	
Vacancy			3/1/2017	Paul McCown resigned 10/20/16
Voigt	W. Kent	11/30/2017	3/1/2019	

Nominations to the Historic District Commission:

Unexpired Term Expires: 3/1/2017

Term currently held by: Paul McCown resigned

Interested Applicants:

Last Name	First Name	App Resume Expire	Notes 2
Alali	Yasser	6/14/2018	
Huber	Laurie	6/10/2017	
Razzacki	Syed	9/9/2018	
Salgat	Charles	5/20/2017	

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	1/31/2019	
Oberski	Jeff			Ex-Officio Member
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 or resumes 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
Huber	R. Mitch	6/10/2017	1/31/2019		
Huotari	William			Ex-Officio Member	
Kilmer	Richard	12/12/2015	1/31/2017		
Mayer	Gary			Ex-Officio Member	
Petrulis	Al	1/8/2016	1/31/2017		ACAB exp 9/30/2018
Roberts	David			Ex-Officio Member	
Vacancy				STUDENT	
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: David Easterbrook

Term Expires: 7/31/2017

Term currently held by: Vacancy-Kathleen Regan graduated.

Interested Applicants:

Last Name	First Name	App Resume Expire	Notes 2
Johnson	Donald	11/23/2018	
Sekhri	Arun	8/19/2018	
Wang	Muyang	10/13/2018	STUDENT

Yes:

No:

I-3 No Closed Session Requested**I-4 Community Partnership Agreement with SMART for Big Beaver Shuttle Service and Budget Amendment for the Operation of the Big Beaver Shuttle Service (Introduced by: Lori Grigg Bluhm, City Attorney)**Suggested Resolution

Resolution #2016-12-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **APPROVES** the Agreement between the City of Troy and the Suburban Mobility Authority for Regional Transportation also known as SMART for the lease of the Big Beaver Corridor Shuttle Busses, and the Mayor and City Clerk are **AUTHORIZED** to execute the document on behalf of the City. A copy of the Agreement will be **ATTACHED** to the minutes of this meeting.

BE IT FURTHER RESOLVED, That Troy City Council hereby **APPROVES** the budget amendment for the estimated cost of \$112,500 to the General Fund- Transportation Department for the Big Beaver Shuttle Service.

Yes:

No:

I-5 Bid Waiver and Budget Amendment – Streaming Troy’s Government Channel to AT&T U-Verse (Introduced by: Cindy Stewart, Community Affairs Director)Suggested Resolution

Resolution #2016-12-

Moved by

Seconded by

WHEREAS, *IDSolutions of Noblesville, IN* is an audio-video integrator and is the sole source provider of the Cisco AR5300HE encoder; and,

WHEREAS, *IDSolutions* is the AT&T endorsed provider of the Cisco AR5300HE Encoder, installation and support, which has been tested and certified as compatible with our PEG service;

THEREFORE, BE IT RESOLVED, That Troy City Council **WAIVES** the bid process and **AWARDS** a contract to *IDSolutions of Noblesville, IN* a sole source provider for the Cisco AR5300HE Encoder, installation and support solution to stream Troy’s Government Channel to AT&T U-Verse for an estimated cost of \$12,995.00.

BE IT FINALLY RESOLVED, That Troy City Council **APPROVES** a budget amendment to the Capital Projects Fund in the amount of \$13,000.00.

Yes:
No:

J. CONSENT AGENDA:

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

Suggested Resolution
Resolution #2016-12-
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 #2016-12-

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

- a) Special City Council Minutes-Draft – November 18, 2016
- b) City Council Minutes-Draft – November 21, 2016

J-3 Proposed City of Troy Proclamations:

Suggested Resolution
Resolution #2016-12-

- a) Celebrating George Shauni and Powerhouse Gym – 25 Years in Troy

J-4 Standard Purchasing Resolutions:

- a) **Standard Purchasing Resolution 1: Award to Low Bidder - Tee Shirts – Various City Departments**

Suggested Resolution

Resolution #2016-12-

RESOLVED, That Troy City Council hereby **AWARDS** a two (2) year contract with an option to renew for one (1) additional year to provide Tee Shirts for the City of Troy on an as needed basis to the low total bidder, *Ad-Wear & Specialty of Texas, Inc., of Houston, TX*, for an estimated total annual cost of \$46,203.30 at unit prices contained in the bid tabulation opened November 10, 2016; with all expenses not to exceed budgetary limitations; a copy of which shall be **ATTACHED** to the original Minutes of this meeting; contract to expire November 30, 2018.

J-5 Traffic Committee Recommendations and Minutes

Suggested Resolution

Resolution #2016-12-

4. Request for “DO NOT BLOCK INTERSECTION” sign – Rochester at Player Drive

RESOLVED, That a DO NOT BLOCK INTERSECTION sign be **APPROVED** for installation on northbound Rochester Road at Player Drive

5. Request for Traffic Control – Prestwick Drive at Wentworth Drive

RESOLVED, That the intersection of Prestwick at Wentworth be **MODIFIED** from no traffic control to a STOP sign on the Prestwick Drive westbound approach to Wentworth.

6. Request for “DO NOT BLOCK INTERSECTION” sign – I-75 at Rochester Road

RESOLVED, That DO NOT BLOCK INTERSECTION signs be **APPROVED** for installation at the I-75 northbound ramp to Rochester Road.

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 Submitted**O. COUNCIL COMMENTS:**

O-1 No Council Comments Advanced**P. REPORTS:**

P-1 Minutes – Boards and Committees:

- a) Zoning Board of Appeals-Final – October 18, 2016
- b) Traffic Committee-Final – October 19, 2016
- c) Planning Commission-Draft – November 1, 2016
- d) Planning Commission-Final – November 1, 2016
- e) Zoning Board of Appeals-Draft – November 15, 2016
- f) Planning Commission Special-Final – November 17, 2016

P-2 Department Reports:

- a) Building Department Activity Report – November, 2016
- b) Great Lakes Water Authority – 84" Water Main Break Update
- c) Comprehensive Annual Financial Report (CAFR) for the Year Ended June 30, 2016
- d) November 8, 2016 Presidential Election Recount

P-3 Letters of Appreciation:

- a) To Chief Dave Roberts from the City of Auburn Hills Regarding Assistance from the Troy Fire Department During a Structure Fire
- b) To City Clerk Aileen Dickson from the Woodland Elementary 5th Graders

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

P-5 Letter to Brian Kischnick, City Manager, and City Council from Joyce Manke Regarding the Closure of The Creative Endeavors Gift Shop and the Town Center Concept Plan**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 SCHEDULED SPECIAL CITY COUNCIL MEETINGS

2016 SCHEDULED REGULAR CITY COUNCIL MEETINGS:

December 19, 2016 Regular Meeting

2017 SCHEDULED SPECIAL CITY COUNCIL MEETINGS:

February 20, 2017..... Liquor Violation Hearing Meeting
March 20, 2017..... Liquor Violation Hearing Meeting
April 17, 2017, 2017..... Special Study Session (Budget Discussions)
April 20, 2017, 2017..... Special Study Session (Budget Discussions)

2017 SCHEDULED REGULAR CITY COUNCIL MEETINGS:

January 9, 2017 Regular Meeting
January 23, 2017 Regular Meeting
February 6, 2017..... Regular Meeting
February 20, 2017..... Regular Meeting
March 6, 2017 Regular Meeting
March 20, 2017..... Regular Meeting
April 3, 2017 Regular Meeting
April 24, 2017..... Regular Meeting
May 8, 2017 Regular Meeting
May 22, 2017 Regular Meeting
June 5, 2017 Regular Meeting
June 19, 2017 Regular Meeting
July 10, 2017..... Regular Meeting
July 24, 2017..... Regular Meeting
August 7, 2017..... Regular Meeting
August 21, 2017..... Regular Meeting
September 11, 2017 Regular Meeting
September 25, 2017 Regular Meeting
October 9, 2017 Regular Meeting
October 23, 2017 Regular Meeting
November 13, 2017 Regular Meeting
November 20, 2017 Regular Meeting
December 4, 2017 Regular Meeting
December 18, 2017 Regular Meeting

**PROCLAMATION TO CELEBRATE
POWERHOUSE GYM TROY
25 YEARS IN BUSINESS**

WHEREAS, Twenty-five years ago, **George Shaouni** opened **Powerhouse Gym Troy** as a way to share his passion for health and fitness with his friends, family and his community. He has helped countless members improve their health by sharing his knowledge of exercise and nutrition; and

WHEREAS, Over the past 25 years, **George** has evolved **Powerhouse Gym** from a bodybuilding center to a fitness facility that caters to all types and levels of gym-goers. He strives to ensure that there is programming, equipment and trainers available for men and women from beginners to trained athletes. While many gyms make promises, **George** takes the time to make sure his members get the results they are seeking; and

WHEREAS, A testament to **George's** service, some members have worked out at **Powerhouse Gym Troy** since it opened 25 years ago. Others joined as teenagers, and he has enjoyed watching them progress as they grew into adulthood; and

WHEREAS, **Powerhouse Gym** offers 24/7/365 access with updated cardio and fitness equipment, personal training services, group fitness sessions, Live Cryo chamber, MyZone heart rate monitors and training, full supplement store, smoothie and shake bar and a full line of branded apparel plus much more; and

WHEREAS, **George** has taken special care of our community's law enforcement and first responders through memberships, donations and fundraisers. On September 11, **Powerhouse Gym** printed and sold limited edition t-shirts, donating 100% of the proceeds to the Red Cross. **George** has always supported police fundraising efforts by donating memberships for raffles. When the gym opened in 1991, every police officer was given a free membership and he also donated equipment to help furnish the Troy Police Department's gym; and

NOW, THEREFORE, BE IT RESOLVED, That the Mayor and City Council of the City of Troy hereby congratulate **George Shaouni and Powerhouse Gym Troy on their 25th anniversary** in the City of Troy; and

BE IT FURTHER RESOLVED, That the Mayor, City Council and City Management join the citizens of this community in celebration of the **25th anniversary of Powerhouse Gym Troy** and look forward to it being part of Troy for many more years to come, reaching more people in our community to help them reach their fitness goals and live each day healthier.

Presented this 5th day of December 2016.

INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

November 30, 2016

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *City of Troy, Michigan* (the "City") as of and for the year ended June 30, 2016, and have issued our report thereon dated November 30, 2016. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 9, 2016, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated November 30, 2016. In addition, we noted certain other matters which are included in Attachment A to this letter.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on September 26, 2016.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the pension and other postemployment benefits plans are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

The schedule of adjustments passed is included with management's written representations in Attachment C to this letter, and summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment C to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted

in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the *City of Troy, Michigan* and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The signature is written in a cursive, flowing style.

CITY OF TROY, MICHIGAN

Attachment A - Comments and Recommendations

For the June 30, 2016 Audit

During our audit, we became aware of certain other matters that are opportunities for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding those matters. Our consideration of the City's internal control over financial reporting is described in our report, dated November 30, 2016, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated November 30, 2016, on the financial statements of the City of Troy.

Escrow Deposits Payable - Lack of Support

We noted several open escrow deposit accounts greater than 3 years old, totaling over \$1.8 million. While the City has cleared a portion of these over the past year, the amount outstanding is still significant in proportion to what was previously outstanding. We recommend that the City evaluate the open accounts to determine the proper disposition of amounts (i.e. - recognition as revenue, remittance to contractors, escheatment in accordance with State laws, etc.).



CITY OF TROY, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2016 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the City in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the City. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 74 ■ Postemployment Benefit Plans Other than Pension Plans

Effective 06/15/2017 (your FY 2017)

This standard requires the calculation of a net other postemployment benefit (OPEB) liability based on an actuarial valuation of retiree healthcare and similar benefits administered by an OPEB trust. It mirrors the new accounting and financial reporting requirements of GASB 67 for pension plans.

GASB 75 ■ Postemployment Benefits Other than Pensions

Effective 06/15/2018 (your FY 2018)

This standard builds on the requirements of GASB 74 by requiring employers that provide other postemployment benefits (OPEB) to recognize a net OPEB liability on their statements of net position. It mirrors the new accounting and financial reporting requirements of GASB 68 for pension benefits.

GASB 77 ■ Tax Abatement Disclosures

Effective 12/15/2016 (your FY 2017)

This standard requires governments to disclose certain information about tax abatement agreements made to foster economic development or otherwise benefit the government or its citizens. Required disclosures include a brief description of the arrangement, the gross dollar amount of taxes abated in the current period, and any additional commitments made by the government as part of the agreement.

GASB 78 ■ Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans

Effective 12/15/2016 (your FY 2017)

This standard is an amendment to GASB 68, and provides guidance to governments that participate in non-governmental cost-sharing pension plans. We do not expect this standard to have any significant effect on the City.

GASB 80 ■ Blending Requirements for Certain Component Units

Effective 06/15/2017 (your FY 2017)

This standard is an amendment to GASB 14, *The Financial Reporting Entity*, and requires blending component units incorporated as not-for-profit corporations in which the government is the sole corporate member. We do not expect this standard to have any significant effect on the City.

CITY OF TROY, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2016 Audit

GASB 81 ■ Irrevocable Split-Interest Agreements

Effective 12/15/2017 (your FY 2018)

This standard addresses the accounting for split-interest agreements for which the government serves as the intermediary and/or the beneficiary. It requires governments to record assets, liabilities, and deferred inflows of resources at the inception of the agreement when serving as intermediary, or when the government controls the present service capacity of a beneficial interest. We do not expect this standard to have any significant effect on the City.

GASB 82 ■ Pension Issues

Effective 06/15/2017 (your FY 2017)

This standard is an amendment to GASB 67/68 to clarify several issues related to pensions. We do not expect this standard to have any significant effect on the City.

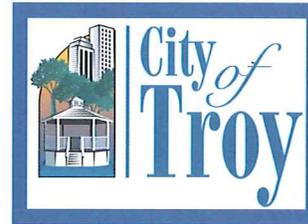


CITY OF TROY, MICHIGAN

Attachment C - Management Representations

For the June 30, 2016 Audit

The following pages contain the written representations that we requested from management.



November 30, 2016

Rehmann Robson
1500 W. Big Beaver Rd., 2nd Floor
Troy, Michigan 48084

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *City of Troy, Michigan* (the "City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the budgetary comparison for the General Fund in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 30, 2016:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 9, 2016, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
2. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
11. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
12. All funds and activities are properly classified.
13. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
14. All components of net position and fund balance classifications have been properly reported.
15. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
16. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
17. All interfund and intra-entity transactions and balances have been properly classified and reported.
18. Deposit and investment risks have been properly and fully disclosed.
19. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
20. All required supplementary information is measured and presented within the prescribed guidelines.
21. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Information Provided

22. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
23. All transactions have been recorded in the accounting records and are reflected in the financial statements.
24. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

25. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
26. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
27. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
28. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
29. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
30. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
31. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
32. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
33. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
34. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
35. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
36. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

37. With respect to the supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.

- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Required Supplementary Information

38. With respect to the required supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Uniform Guidance (2 CFR 200)

39. With respect to federal awards, we represent the following to you:
 - a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
 - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
 - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
 - d. The methods of measurement or presentation have not changed from those used in the prior period.
 - e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
 - f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
 - g. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
 - h. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
 - i. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.

- j. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- k. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- l. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- m. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- n. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- o. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and the U.S. Office of Management and Budget's, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- p. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- s. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- t. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- u. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- v. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- w. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- x. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

 11-30-2016

Thomas Darling, Director of Financial Services

CITY OF TROY

Schedule of Adjustments Passed (SOAP)
 For the June 30, 2016 Audit

In accordance with generally accepted auditing standards, we have prepared the following schedule of proposed audit adjustments, which we believe are immaterial both individually and in the aggregate. We are providing this schedule to both management and those charged with governance to receive their assurance that they agree that the amounts listed below are not material to the financial statements, either individually or in the aggregate, and do not need to be recorded.

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenues	Expenses/ Expenditures
Governmental activities					
Overstatement of Incurred but not Reported (IBNR) Claims	\$ -	\$ 150,788	\$ -	\$ -	\$ 150,788
Misstatement as a percentage of total revenues - governmental activitie	0.00%	0.05%	0.00%	0.00%	0.05%

CITY OF TROY

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 For the June 30, 2016 Audit

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CITY COUNCIL AGENDA ITEM

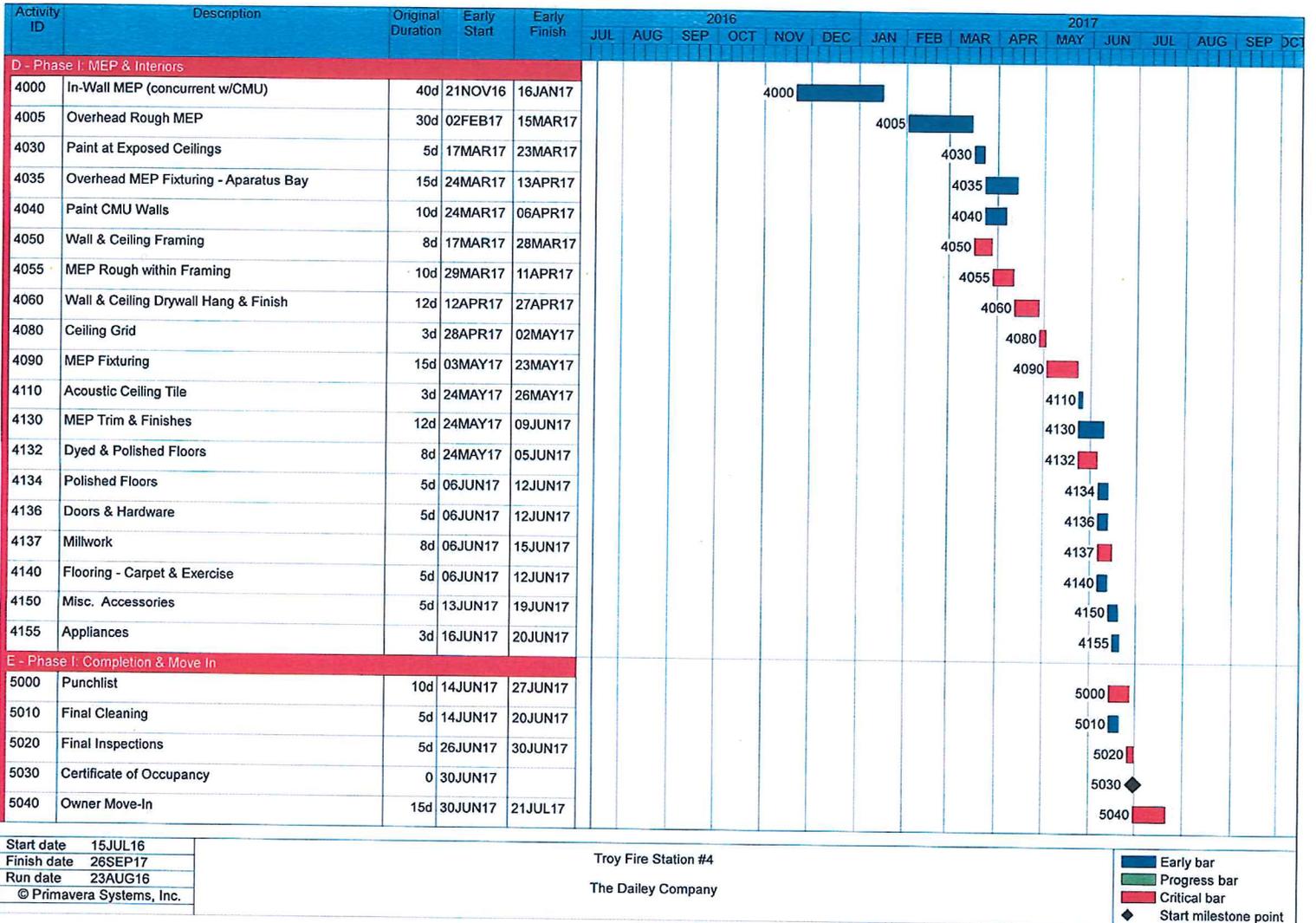
November 21, 2016

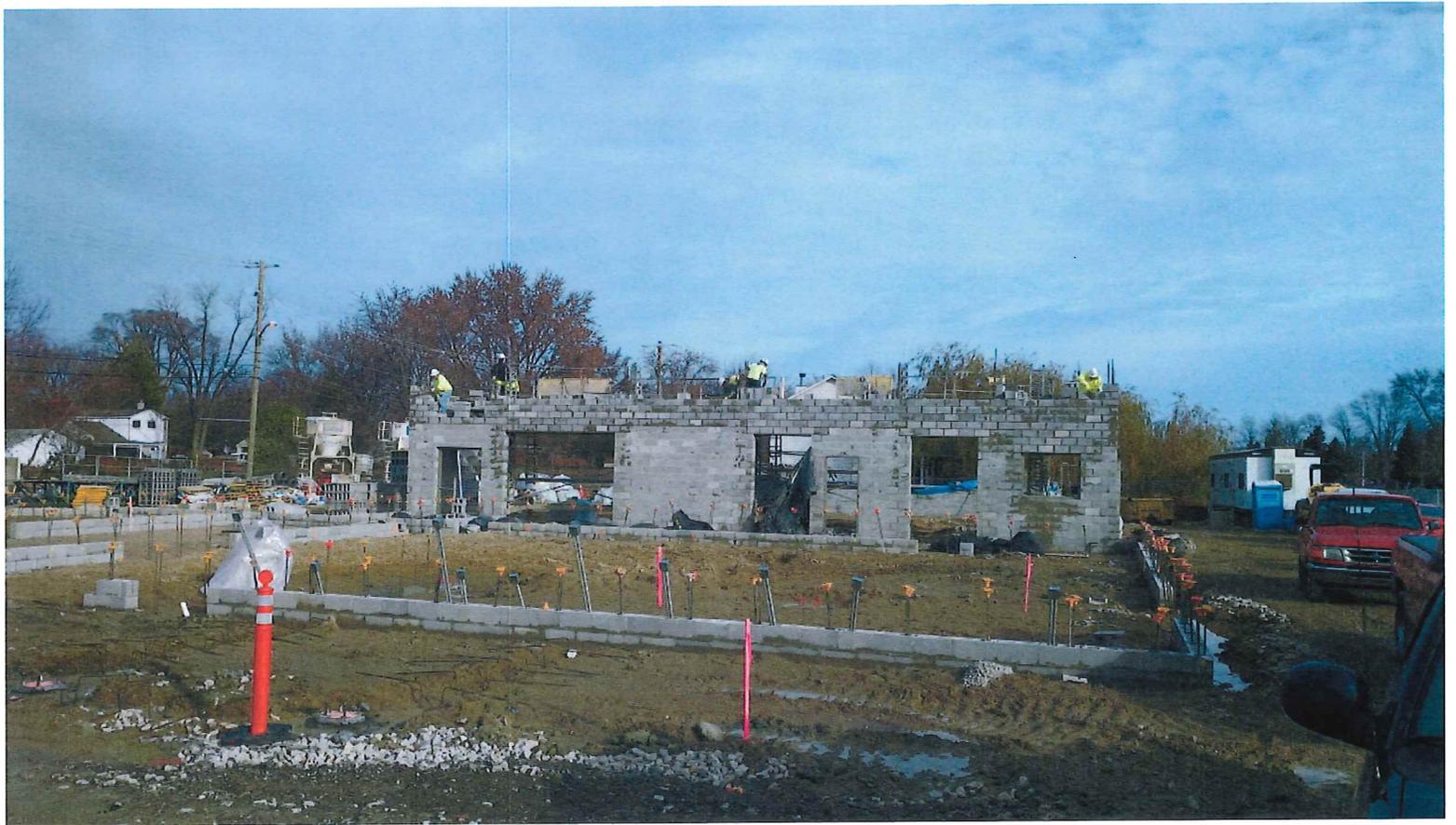
TO: Brian Kischnick, City Manager
FROM: David Roberts, Fire Chief
SUBJECT: Fire Station #4 Construction Update

The following information is a summary and update on the progress of the Fire Station #4 project since the previous update of May 5, 2016:

- May through July, 2016: Several planning meetings and discussions were held concerning building design and cost.
- August 8, 2016: Council approved the Guaranteed Maxim Price submitted by the Construction Manager at Risk – The Dailey Company – of \$3,607,250, and a budget amendment in the amount of \$866,555, for a total project cost of \$4,263,859.
- August 23, 2016: Bi-weekly construction meetings began between City staff, The Dailey Company, and Redstone Architects.
- August to November, 2016: The Dailey Company sought and obtained bids from subcontractors for the project's required trade work. Bi-weekly construction meetings continue.
- September 14, 2016: Groundbreaking ceremony was held at the site with the Mayor, members of City Council, the City Manager, the Fire Chief, and former Fire Chief Jim Halsey.
- September through October, 2016: Underground utility work was completed, and the majority of the overhead utilities have been relocated.
- October through November, 2016: Unseasonable weather continued to provide for favorable working conditions which allowed for on-going site work.
- November 15, 2016: The mason has started the building's foundation block. Door frames have been delivered. The electrician has started installing the in-wall conduits.

Included with this summary update is a current photo of the construction site accompanied by the project timeline from the Dailey Company.







CITY COUNCIL AGENDA ITEM

Date: November 30, 2016

To: Brian Kischnick, City Manager

From: Mark Miller, Director of Economic & Community Development
Kurt Bovensiep, Public Works Director
Cindy Stewart, Community Affairs Director

Subject: Community Development Block Grant (CDBG) 2017 Application and Public Hearing

Background

Oakland County has advised the City of Troy to use \$143,177.00 as our planning estimate for the program year 2017.

The following projects are being recommended for the 2017 CDBG program:

Non-Residential Historic Preservation	\$100,224.00
Public Services – Yard Services (Home Chore)	<u>\$ 42,953.00</u>
Total:	\$143,177.00

Federal regulations require Oakland County as an “urban county” grantee to execute an annual Subrecipient Agreement with each participating community. We submit the signed Agreement with our application.

Recommendation

It is recommended that City Council approve the Community Development Block Grant (CDBG) 2017 application. The PY2017 Application project funds will be used for two different projects. The first project is Non-Residential Historic Preservation at the Troy Farm. This will be a multi-year project to include a new roof on the barn and buildings, as well as retrofitting the existing restrooms and updating the parking lot with future program funds. The cost will be \$100,224 for this project.

Thirty percent (maximum allowed) of the PY2017 funds (\$42,953) will also fund the City’s Home Chore Program offering mowing of lawns in the spring/summer/fall plus a spring and fall yard cleanup; and plowing driveways and sidewalks in the winter. This program serves low income seniors and persons with disabilities.



CITY COUNCIL AGENDA ITEM

Date: December 1, 2016

To: Troy City Council Members

From: Brian Kischnick, City Manager
Lori Grigg Bluhm, City Attorney
Tom Darling, Finance Director
Kurt Bovensiepe, Public Works Director
Emily Frontera, Public Works Coordinator

Subject: Community Partnership Agreement with SMART for Big Beaver Shuttle Service
And Budget Amendment for the Operation of the Big Beaver Shuttle Service

Community Partnership Program

The Suburban Mobility Authority for Regional Transportation (SMART) has developed a lease agreement for the Big Beaver Shuttle Service. The highlights of the lease agreement are as follows:

- SMART will provide three (3) Community Transit buses and one (1) Trolley style bus
- The City of Troy will be responsible for all operational facets including
 - Drivers
 - Dispatch
 - Fuel
 - Maintenance/Repair
 - Bus Stop Signs
 - Advertising

It is anticipated that the City of Troy will take possession of the buses on December 12, 2016 assuming the lease agreement is approved by City Council. The City of Troy has been proactively advertising for the driver positions and is ready to start the shuttle service on December 14, 2016. The start of the service will begin with a soft roll out that will include limited advertisement to a few select businesses along the corridor. The soft roll out will allow the drivers an opportunity to familiarize themselves with the routes and work on any unforeseen issues with the service. The soft roll out will last for approximately a week before fully launching the full service on December 19, 2017 with a ribbon cutting ceremony at 10 am in front of Troy City Hall.

Financial

A new Department titled Transportation will be added to the City of Troy's financial software. The addition of the Department requires a budget amendment to administer the Big Beaver Shuttle service. The estimated annual cost of the program is \$225,000. Because we are starting half way through the current fiscal year the budget amendment request is for half this amount, \$112,500.

Recommendation

Staff considers the Big Beaver Shuttle Service an opportunity to separate the City of Troy from surrounding communities. The service will be beneficial to residents, business people, and visitors. Staff recommends approving the lease agreement with SMART and authorizing a transfer to the General Fund- Transportation Department for \$112,500.

COMMUNITY PARTNERSHIP PROGRAM

AGREEMENT BETWEEN THE SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION AND THE CITY OF TROY, MICHIGAN

This agreement (“Agreement”) is made between Suburban Mobility Authority for Regional Transportation (“SMART”), an entity organized under the provisions of Act 204 of the Public Acts of 1967, as amended, and the **THE CITY OF TROY, MICHIGAN** (“the Community”).

WHEREAS, SMART, pursuant to the provisions of Act 204, has been vested with the authority to acquire, plan, construct, operate and maintain transportation systems and facilities within its jurisdiction; and

WHEREAS, the Community desires to manage and operate certain public transportation services, as described below; and

WHEREAS, the purpose of this Agreement is to state the terms and conditions under which the transportation services will be undertaken;

NOW THEREFORE, in consideration of the mutual covenants, and representations contained herein, the parties agree as follows:

1. **THE PROJECT**

SMART shall provide for the Community’s use, three (3) Community Transit buses:

- #29156 - a 2009 Champion 23’ Challenger, VIN # 1GBKG316X91162156
- #31069 - a 2012 Eldorado 23’ Aerotech, VIN # 1GB6G5BL0B1175747
- #31071 - a 2012 Eldorado 23’ Aerotech, VIN # 1GB6G5BL6B1176921

and one (1) Community Transit bus

- #501 - a 1997 Chance 29’ Trolley, VIN# 1C9S2HAS1VW535063

all in good working order at the time of delivery. In the event the Community needs a replacement vehicle for a short period of time, SMART will use its best effort to provide such replacement vehicle on a timely basis. The Community can request a temporary vehicle by calling the County Community Ombudsperson.

The Community shall undertake and carry out the public transportation services of the project, and any activities directly connected with the performance of the project, in accordance with the terms of this Agreement, and as are more specifically described in Attachment (“Troy Big Beaver Corridor Shuttle, A Public/Private Partnership Concept”, where the Troy City Council authorized contract negotiations by consensus on October 24, 2016), attached hereto and incorporated herein. After the initial review route changes may be necessary.

The Community agrees to provide management of all facets of the project, project assets and any staff (e.g. driver(s)), necessary for the efficient and safe operation of the transportation services provided. The Community shall accommodate reasonable requests by SMART to operate the project under policies, standards and procedures set by SMART which enhance the efficient and safe operations and/or are required by rules, regulations or statute.

SMART provides its Community Transit vehicles in an “as is” condition, without warranties of any kind, express or implied from SMART. SMART may from time to time reassign equipment and retains the sole right to determine the style, color, location, etc. of all painting, logos, and lettering to be applied.

2. **TERM OF THE AGREEMENT**

This agreement shall be effective at the time of signing and shall remain in effect until terminated by the parties. Either party may terminate this agreement with sixty (60) days written notice for cause or convenience. Upon termination, the Community shall tender possession of the vehicle to SMART at a location within the SMART service area as designated by SMART.

This agreement shall terminate immediately upon action by the Michigan Legislature, any court of competent jurisdiction or action by the SMART Board of Directors which modifies the Community Transit program or SMART funding in such a way that SMART, in its sole discretion, cannot reconcile its obligations under this agreement with the legislative action, court order or Board resolution. Written notice to SMART shall be to the General Manager at SMART’s administrative offices, and to the Community at its City or Township Hall.

3. **MODIFICATION**

This agreement may only be modified by writings signed by both parties.

4. **INDEPENDENT CONTRACTOR AND SUB-CONTRACTING**

The parties agree that the Community is wholly independent in relation to the rights and responsibilities set forth in this agreement. As such, the Community retains the right to exercise full control and supervision over its employees and sub-contractors, if any. If an obligation undertaken by this agreement is sub-contracted, the parties agree the sub-contractor shall fully adhere to the terms of this agreement as it relates to the work sub-contracted.

5. **RECORDS**

Accurate financial and operating records of the project shall be kept by the Community, including: ridership, personnel records, expenses, accident reports, maintenance records, dispatch records and all other supporting documents pertaining to the project operation for a minimum of three years. Ridership, maintenance, and quarterly operating reports in the form set forth in the Community Partnership Program Manual shall be submitted by the Community on a weekly or quarterly basis as applicable. SMART may from time to time require additional or different reports to be submitted as necessary. SMART may request, and the Community shall permit, SMART or its designee to review records relating to the project.

6. **NON-DISCRIMINATION**

The Community shall not discriminate against any employee or applicant for

employment because of race, color, sex, age, handicap, religion, ancestry, marital status, national origin, place of birth or sexual orientation. The Community shall ensure that applicants are evaluated for employment and that employees are treated during their employment without regard to their race, color, sex, age, handicap, religion, ancestry, marital status, national origin, place of birth or sexual orientation. The forgoing shall include, without limitation, employment upgrading, demotion, or transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation and/or the selection of training, including apprenticeship. The Community shall comply with the provisions of the State of Michigan "Prohibition of Discrimination in State Contracts". The Community further agrees that it will comply with the Civil rights Act of 1964 (78 Stat. 252), and the Michigan Civil Rights Acts of 1976 (454 P.A. 1967), and will require a similar covenant on the part of any consultant and/or subcontractor employed in the performance of this agreement.

7. **DRIVER TRAINING**

The Community's drivers must have a Commercial Drivers License (CDL) or a Chauffeurs License depending on the size of the vehicle being operated; receive initial drivers training and refresher training every three (3) years. SMART may offer this training under a separate agreement.

8. **MAINTENANCE**

OPTION ONE

The community shall maintain all project equipment in good working condition, unless it is mutually determined that specific items are no longer feasible to maintain.

The community

agrees that it will not allow any equipment to be out of service for a period of time in excess of seven

(7) days, unless this results from conditions beyond its control. Maintenance shall be carried out in accordance with specifications for the equipment as may be available either from its manufacturer or the maintenance procedures specified by SMART.

9. **INSURANCE AND INDEMNIFICATION**

The Community shall provide insurance with the coverage, limits and conditions described below. All insurance must be written with an insurer admitted and licensed in the State of Michigan and approved by SMART's Manager of Risk Management. SMART must be provided a complete copy of the insurance policy within thirty (30) days following the effective date. The insurance must cover all vehicles that the Community receives possession of pursuant to Paragraph (1) of the Agreement.

a. Physical Damage

The Community shall purchase vehicle physical damage insurance, including comprehensive and collision coverage, for SMART owned vehicles for the greater of actual cash value or book value of the vehicle. SMART shall be named as Loss Payee on the policy, and be provided a minimum of 30 days prior written notice of cancellation. The Community shall be responsible for the payment of any deductible and SMART will not be obligated to pay for repairs to the vehicle.

b. Vehicle Liability

The Community shall purchase vehicle liability insurance for SMART owned vehicles, including \$5,000,000 per occurrence Bodily Injury/Property Damage (CSL is acceptable), and Michigan No-Fault protection. SMART shall be named an Additional Insured on the liability policy and be provided a minimum of 30 days prior written notice of cancellation.

c. Workers' Compensation

The Community shall maintain statutory Workers' Compensation and \$100,000 Employer's Liability insurance for all employees.

Notwithstanding any other provision in this agreement, the Community shall indemnify, defend and save harmless SMART, its officers, agents, employees, and members of its Board of Directors from any and all claims, losses and damages, including costs and attorney fees occurring or resulting from any act, omission or negligence of or chargeable to the parties, their officers, agents, employees or subcontractors, arising out of and pursuant to this agreement.

10. **ADVERTISING**

The Community may choose whether to allow advertising on the buses it operates pursuant to this Agreement. If it so chooses, such participation must be approved and administered through, and according to the policies and procedures of, SMART and, if applicable, any company contracted to do such work. The Community shall receive all net revenue received as a result of this advertising. If the Community desires to permit such advertising pursuant to the provision, it should contact SMART's Manager of Marketing or the appropriate SMART Community Ombudsperson.

11. **STATE AND FEDERAL REQUIREMENTS**

The Community is required to comply with all applicable SMART policies and procedures, as well as state and federal statutes, rules, and/or regulations including, without limitation, those set forth in the Community Partnership Program Manual, which is incorporated by reference herein, a copy of which the Community acknowledges receipt of. SMART is required to comply with the obligations contained in its "Master Agreement" with the U.S. Department of Transportation, Federal Transit Administration, which is renewed annually. As a Sub-recipient, the Community agrees to meet those obligations. SMART shall assist the Community in identifying any such requirements and assist the Community in compliance.

The aforementioned State and Federal requirements include stringent requirements for drug and alcohol testing of all safety-sensitive personnel, including drivers. Also included are prohibitions against using vehicles for charter service. For further explanations of these requirements, please contact the appropriate SMART Community Ombudsperson.

12. **GENERAL**

Should any part of this agreement be declared to be invalid, or beyond the authority of either party to enter into or carry out, such decision will not affect the validity of the remainder of this agreement, which will continue in full force.

This agreement is not intended to be a third-party beneficiary contract and confers no rights on anyone other than SMART and the Community.

This agreement shall not be assigned, transferred or pledged by either party without the prior written consent of the other party, in which case, it shall be binding upon the successors or assigns of the respective parties.

This agreement constitutes the entire Agreement between the parties hereto and supersedes any and all prior agreements, oral or written. Waiver of any breach of this Agreement shall not be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

CITY OF TROY, MICHIGAN

By: _____

Dated _____

Its: _____

SUBURBAN MOBILITY AUTHORITY
FOR REGIONAL TRANSPORTATION

Dated _____

By: _____

John C. Hertel
General Manager



Troy Big Beaver Corridor Shuttle

A PUBLIC/PRIVATE PARTNERSHIP CONCEPT

Developed in Partnership with the City of Troy and SMART

October 2016



Overview

The Big Beaver Corridor in the City of Troy is a dynamic, growing ‘main street’ – home to numerous hotels, offices, restaurants and retail establishments. Centrally located in Oakland County and accessible to the region, this stretch of boulevard is poised for continued growth for years to come. The recent relocation of the Birmingham Amtrak Train Station to the Troy Transit Center provides an additional opportunity for regional connectivity only a mile south of the Big Beaver Corridor.

The development pattern, form and character of development over the past decades has mirrored national development trends, with a focus on large individual buildings with ample parking for cars. Recent trends nationally have turned interest back toward mobility options, including the ability to walk, bike, or otherwise move between destinations without having to rely on a personal vehicle – especially for visitors staying at a hotel. SMART provides some fixed route and flexible route service along the corridor, but the frequency and design of the service is not optimized for the type of frequent circulating service required by the objectives of the corridor stakeholders.

The City has already invested time and energy in contemplating this trend through the “Move Across Troy” initiative, which focuses on navigating the Big Beaver Corridor. SMART, as the mobility authority for Troy and the region, started meeting with the City to discuss how public transportation could play a role in the developing priority – leading to this formal concept.

KEY OBJECTIVES

13. Provide mobility options for workers and visitors along Big Beaver
14. Connect hotels with restaurants and shopping
15. Connect hotels with Troy Transit Center connecting to train and airport
16. Encourage business visitors to stay, work and play along the corridor
17. Connect Big Beaver corridor with Troy Transit Center

KEY CHALLENGES

18. Balancing frequency and travel time versus convenience of stops
19. Connecting opposite sides of the corridor efficiently
20. Controlling costs while providing an attractive service
21. Educating users/user experience and ease of use

Service Concept: Big Beaver Corridor Shuttle

After several meetings between the staff of the City and SMART, a service concept was developed to introduce a level of scheduled shuttle service along the Big Beaver Corridor, including a connection along Coolidge Road to the Troy Transit Center. This initial concept attempts to balance the challenges and objectives noted above, while also identifying an acceptable level of investment for the City to demonstrate the service and encourage support for a more robust service.

Big Beaver Business Shuttle



SHUTTLE SERVICE OPERATION AND ROUTING

22. The shuttle vehicles will run on a regular frequency along the corridor in a loop pattern, meaning the vehicles will travel the length of their route along one side of the street before turning around and heading the length in the opposite direction.
23. To keep the travel time along the corridor as fast as possible, the vehicles will generally remain on Big Beaver and Coolidge, with a few exceptions noted on the route map.
24. The initial routing will divide the corridor into two loops (East and West) to maintain a faster travel time east to west, avoiding a long trip from one side of the street to the other where the shuttle has to go all the way around the end of the route first. The two loops will meet at Livernois Road, and will have a pre-determined location to meet for riders transferring between loops.

32. Each stop will have a unique branded sign and a panel for printed information for riders. The stops will be co-located with SMART Bus stops in most cases where the stops are on the street.
33. Highest use stops that do not already have a modern glass bus shelter and/or bench would be outfitted with those amenities.

HOW TO RIDE THE SHUTTLE

34. The service would be free to ride (no fare) for everyone.
35. The service would be open to the public.
36. SMART and the City could partner to develop features to allow cell phone/website shuttle tracking, next shuttle information, and schedules.
37. The City or others could host a shuttle official website.

Costs and Responsibilities

RESPONSIBILITIES

The City and SMART will work with the business community, non-profit groups, and the public in developing, implementing, and adjusting the shuttle service. Initially the service would be run through the City with assistance from SMART. The following outlines the roles and responsibilities for the initial concept.

SMART

38. SMART will procure and lease four vehicles to the City for this concept at no cost to the City through existing grant programs. SMART will work to find used vehicles while the new vehicles are ordered and manufactured, depending on the City's desired timeframe. If the service is ended, the vehicles will be returned to SMART for use in our service area for other services.
39. Under the current system for opt-in communities like Troy, SMART will provide maintenance and repairs needed for the vehicles for only the cost of parts required. The service will be handled at our Troy Terminal just ½ mile south of the corridor.
40. SMART will continue to provide staff assistance in the design, operation, and adjustment of the shuttle service.
41. SMART will help the City research and apply for grant funds that could help cover any of the operating or capital requirements of the project, including dispatch, scheduling, or vehicle locator equipment.
42. SMART will install and maintain modern glass bus shelters and/or other amenities at stops when located along the public right-of-way, including installing any shuttle signs provided by the City (if desired).

CITY OF TROY

43. Troy will operate the shuttle service as part of the City government structure and/or Troy Medi-Go. This includes pay, benefits, drug and alcohol testing, hiring, firing and discipline for all necessary drivers and support staff. This also includes all of the costs of operating the service, including fuel, lubricants, supplies and maintenance of vehicles and supporting equipment and facilities (except for the shuttle stops).
44. SMART has estimated that the driver cost for this concept, based on the service description and frequencies above (8 hours per weekday, 15 minutes frequency

West Loop/30 minutes East Loop), to be approximately \$100,000 annually. This includes:

- \$75,000 for 6,200 driver hours at \$12.00 per hour (no benefits) for West Loop
 - \$25,000 for 2,100 driver hours at \$12.00 per hour (no benefits) for East Loop
45. As operator, Troy will be responsible for phone system, number, and handling calls and complaints about the service.
 46. Troy will need to have a system in place for dispatching and tracking the vehicles. SMART will provide information about our system and also help pursue grant opportunities to fund modern dispatch/vehicle locator equipment.
 47. Troy will be the primary agency in any efforts to coordinate and/or partner with any other supporters of the service including the retail, restaurant and hospitality industries along the corridor.
 48. Troy or its business partners will design, print and install any vehicle wraps, decals or other visual elements including brochures and other information materials.
 49. Troy or its partners will design and produce the shuttle service signs and provide them to SMART for installation (if desired).
 50. Troy or its partners will design and implement any website, mobile app, social media, or other electronic information systems.

Potential Collaborations and Enhancements

SMART and the City of Troy will continue to meet, collaborate and partner as the shuttle is implemented and adjusted in the future. There are a number of opportunities where Troy and partners can collaborate to enhance the service and make it more attractive to potential users. SMART will be a willing participant, providing experience and knowledge of our use of these systems wherever helpful to the service. These possibilities include:

- d. Mobile App. An app could be developed and implemented to include many elements, including:
 - Real-time location of vehicles with next vehicle arrival times
 - Interactive corridor map with business/community information around stops
 - Shuttle information paired with reservation portals for hotel or restaurants
 - Wayfinding app assistance to support cross-corridor foot traffic

- e. Wayfinding Plan. A effort for signage related to cross-corridor traffic could be tested out first around shuttle stops where a 'captive' audience is getting on/off the shuttle.
- f. Additional Crossings. The success of this concept could be used in continued efforts by Troy and SMART to gain support and approval from MDOT for additional signalized crossings along the corridor.

Potential Funding Methods (P3)

- Economic development groups (business, chamber, hospitality, commerce) can build support and lend services (e.g. mobile app)
- Businesses or groups can provide financial support to offset cost of running the service
- Bus wraps can include corridor/business information
- Maps, materials, and website can all include advertisements and/or business information

Implementation

SMART is ready to work with the City to discuss and revise this concept, as desired. The City will need to take steps to identify and approve needed funding and systems in place, and also provide guidance on vehicle type desired.

The timing for implementation is limited by the procurement and installation of signage, assuming the use of used 23' vehicles available from SMART. SMART will look to the City for its approval and direction moving forward.



CITY COUNCIL AGENDA ITEM

Date: December 1, 2016

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic & Community Development
Tom Darling, Director of Financial Services
MaryBeth Murz, Purchasing Manager
Gert Paraskevin, IT Director
Cindy Stewart, Community Affairs Director

Subject: Bid Waiver and Budget Amendment - Streaming Troy's Government Channel to AT&T U-Verse

History

Currently, our PEG (public, education and government) channels are only available on the Comcast and WOW cable systems. Those two providers have installed equipment at the City and other locations, at no cost, to be able to offer these channels. Although AT&T also offers cable service in Troy, AT&T has never provided our PEG channels on U-Verse because there would be an initial and ongoing cost to the City to do so. The funds will come out of the 2% PEG fees we receive from AT&T. We receive 1% PEG fees from Comcast and WOW.

To offer these channels on AT&T U-Verse we are required to purchase one encoder per channel (City of Troy, Troy School District and CMN – public access). The price quoted is \$10,997.00 for the City of Troy government channel encoder plus \$1,449 for remote installation, project management, engineering and programming. The annual maintenance is \$499.00.

AT&T recommends the City of Troy use the Cisco AR5300HE Encoder, which they have tested and certified as compatible with our PEG service. Currently, IDSolutions is the AT&T endorsed provider of the Cisco AR5300HE Encoder, installation and support. Due to the specialized nature of the application and support structure it is recommended that the City utilize IDSolutions.

From the encoder our programming will be streamed to the Internet to a specific AT&T IP address. Typically AT&T requires 1.5MB bandwidth which requires at minimum a T-1 line. Alternatively we can use an existing Internet connection. Initially the City will implement the system utilizing one of our current Internet connections to accommodate the stream. Should that result in any poor performance the City will install a separate T-1 line at a cost of approximately \$500.00 per month.



CITY COUNCIL AGENDA ITEM

Purchasing

Since IDSolutions is an audio-video integrator and is the sole source provider of the Cisco AR5300HE encoder, it is in the City's best interest to waive the bid process.

Financial

A budget amendment is necessary so as to increase the Capital Projects Fund appropriations in the amount of \$13,000.00. The account number will be 401.172.7978.020.

Recommendation

City management recommends that the bid process be waived and a contract be awarded to *IDSolutions of Noblesville, IN*, a sole source provider for the Cisco AR5300HE Encoder, installation and support solution to stream Troy's Government Channel to AT&T U-Verse for an estimated cost of \$12,995.00. Also, City management requests a budget amendment to the Capital Projects Fund in the amount of \$13,000.00.

A. CALL TO ORDER:

A Special Meeting of the Troy City Council was held on November 18, 2016, at Oakland County Circuit Court, 1200 N. Telegraph Road, Pontiac, Michigan, 48340, in the courtroom of the Honorable Leo Bowman. Mayor Slater called the meeting to order at 3:00 PM.

B. ROLL CALL:

a)	Mayor Dane Slater	City Manager Kischnick
	Edna Abraham	City Attorney Bluhm
	Ethan Baker	Attorney Peter Webster
	Dave Henderson	
	Mayor Pro Tem Ellen Hodorek	
	Paul McCown	
	Ed Pennington - Absent	

Vote on Resolution to Adjourn into Closed Session

Resolution #2016-11-194
Moved by McCown
Seconded by Baker

BE IT RESOLVED, That Troy City Council **SHALL ADJOURN** into Closed Session, as permitted by MCL 15.268 (e) Pending Litigation – *City of Troy v. Grand Sakwa, Case Number 14-141751-CC*.

Yes: Slater, Abraham, Baker, Henderson, Hodorek, McCown
No: None
Absent: Pennington

MOTION CARRIED**C. DISCUSSION ITEM:**

C-1 Closed Session – *City of Troy v. Grand Sakwa, Case Number 14-141751-CC*

D. PUBLIC COMMENT:**E. ADJOURNMENT:**

The Meeting **ADJOURNED** at 5:40 PM.

Mayor Dane Slater

M. Aileen Dickson, MMC
City Clerk

Pastor Vince Messina from Woodside Bible Church performed the Invocation. The Pledge of Allegiance to the Flag was given.

A. CALL TO ORDER:

A Regular Meeting of the Troy City Council was held on Monday, November 21, 2016, at City Hall, 500 W. Big Beaver Rd. Mayor Slater called the meeting to order at 7:36 PM.

B. ROLL CALL:

- a) Mayor Dane Slater
Edna Abraham
Ethan Baker
Dave Henderson
Ellen Hodorek
Paul McCown
Mayor Pro Tem Ed Pennington

- b) Excuse Absent Council Members:

Resolution #2016-11-195
Moved by Slater
Seconded by Henderson

RESOLVED, That Troy City Council hereby **EXCUSES** the absence of Council Member Pennington at the Special City Council Meeting of November 18, 2016, due to work obligations.

Yes: All-7
No: None

MOTION CARRIED

C. CERTIFICATES OF RECOGNITION AND SPECIAL PRESENTATIONS:

C-1 Presentation to Cathy Russ, Library Director for the Troy Public Library’s Citation of Excellence Award *(Presented by: Mayor Dane Slater)*

C-2 Presentation to the Mayor and City Council on the Status of the Troy Library’s Endowment Fund *(Presented by: Cathy Russ, Library Director)*

C-3 Presentation to the Mayor and City Council on the Status of the Troy Library’s Small Business Week Promotion *(Presented by: Cathy Russ, Library Director)*

C-4 Proclamation for Small Business Saturday *(Presented by: Mayor Dane Slater)*

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 – Zoning Board of Appealsa) Mayoral Appointments: Noneb) City Council Appointments:

Resolution #2016-11-196
 Moved by Hodorek
 Seconded by Baker

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

Zoning Board of Appeals

Appointed by Council
 7 Regular Members
 3 Year Term

Unexpired Term Expiring: 1/31/2018**Travis Mihelick****Alternate**

Term currently held by: Vacancy (Alternate)

Yes: All-7
 No: None

MOTION CARRIED**I-2** Board and Committee Nominations: a) Mayoral Nominations – None; b) City Council Nominations – Nonea) Mayoral Nominations:

City Council took no action on this item.

b) City Council Nominations:

City Council took no action on this item.

I-3 No Closed Session Requested

I-4 Addition of Six (6) Police Officers (*Introduced by: Gary Mayer, Police Chief*)

Resolution #2016-11-197
Moved by Henderson
Seconded by Abraham

WHEREAS, Troy City Council expressed concern about the recent national epidemic of violence against police officers during a City Council meeting on July 25, 2016; and,

WHEREAS, Troy City Council reached a consensus to offer support to the Troy Police Department in the form of additional funding necessary to ensure the safety of our police personnel; and,

WHEREAS, The Troy Police Department had taken immediate actions to increase building security, training, and authorized overtime to uniformed personnel to ensure an increase in staffing; and,

WHEREAS, During a regular City Council meeting on October 10, 2016, Troy City Council authorized a budget amendment to transfer money from the General Fund to the Capital Projects Fund for Police Department Perimeter Fencing and awarded a contract for the installation of perimeter fencing around the Police Department parking lot; and,

WHEREAS, Increasing minimum staffing per shift would enhance officer safety and allow for more two officer patrol vehicles;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **APPROVES** the addition of six (6) uniformed personnel to the Police Department.

Yes: All-7
No: None

MOTION CARRIED

I-5 Financial Modifications for Troy Family Daze Agreement (*Introduced by: Lori Grigg Bluhm, City Attorney*)

Resolution #2016-11-198
Moved by Baker
Seconded by Hodorek

WHEREAS, The Troy City Council appreciates the past efforts of the North Woodward Community Foundation in hosting and sponsoring the annual Troy Family Daze festival, and recognizes the importance and community benefit derived from this annual festival, which dates back to 1968, and wants this event to continue into the future, which is not likely to happen without some relief from the terms of the current Agreement for Use of Public Property for Troy Family Daze Festival between the City of Troy and the North Woodward Community Foundation.

NOW THEREFORE, IT IS RESOLVED, That the Troy City Council **AGREES TO OFFSET** the financial losses incurred by the North Woodward Community Foundation in hosting and sponsoring the 2015 Troy Family Daze Festival, and already agreed on May 9, 2016 to assume the cost of fireworks for the 2015 festival, which was \$6,902, and now **AGREES TO WAIVE** the remaining \$3,098 which would otherwise be due under the current Agreement for Use of Public Property for Troy Family Daze Festival between the City of Troy and the North Woodward Community Foundation for the annual Troy Family Daze Festival in 2015.

BE IT FURTHER RESOLVED, That the Troy City Council **AGREES TO WAIVE** the entire \$10,000 fixed fee for the use of public property for the 2016 Troy Family Daze Festival, which would otherwise be due to the City under the current Agreement for Use of Public Property for Troy Family Daze Festival between the City of Troy and the North Woodward Community Foundation.

BE IT FINALLY RESOLVED, That the Troy City Council **DIRECTS** City Administration to negotiate amendments to the December 15, 2014 Agreement for Use of Public Property for Troy Family Daze Festival, which either eliminates the requirement of an annual payment for the use of public property or otherwise details a partnership arrangement that allows the Troy Family Daze to continue for future years. A proposed revised Agreement for Use of Public Property for Troy Family Daze Festival **SHALL** be presented to the Troy City Council for its consideration within 75 days.

Yes: All-7

No: None

MOTION CARRIED

J. CONSENT AGENDA:

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

Resolution #2016-11-199-J-1a

Moved by Henderson

Seconded by McCown

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 #2016-11-199-J-2

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

- a) Special Joint City Council and Troy Family Daze Committee-Draft – November 14, 2016
- b) City Council Minutes-Draft – November 14, 2016

J-3 Proposed City of Troy Proclamations:

Resolution #2016-11-199-J-3

- a) Small Business Saturday – November 26, 2016

J-4 Standard Purchasing Resolutions:

- a) **Standard Purchasing Resolution 2: Low Bidders Meeting Specifications – Street Light Maintenance**

Resolution #2016-11-199-J-4a

RESOLVED, That Troy City Council hereby **AWARDS** a contract to provide three (3) year requirements of street, parking lot, and athletic field light maintenance, with an option to renew for one (1) additional year to the low bidder meeting specifications; *Harlan Electric Company, of Rochester Hills, MI* for an estimated total cost of \$141,391.40, at unit prices contained in the bid tabulation opened November 10, 2016, a copy of which shall be **ATTACHED** to the original Minutes of this meeting with all work not to exceed budgetary limitations; contract to expire November 30, 2019.

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

- b) **Standard Purchasing Resolution 2: Low Bidders Meeting Specifications – Snow Removal Services**

Resolution #2016-11-199-J-4b

RESOLVED, That Troy City Council hereby **AWARDS** a contract to provide seasonal requirements for Snow Removal Services with an option to renew for one (1) additional season to *Casar Management, LC., of St. Clair Shores, MI* for Code Enforcement, and to *Brantley Development, LLC of Inkster, MI* and *DTL Lawn Care of Rochester Hills, MI* to be divided by area at unit prices contained in the bid tabulation opened November 10, 2016; a copy of which shall be **ATTACHED**

to the original Minutes of this meeting and the quotes received from *Brantley Development, LLC of Inkster, MI* and *DTL Lawn Care of Rochester Hills, MI*.

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

c) Standard Purchasing Resolution 2: Sole Bidder Meeting Specifications – Liquid Calcium Chloride

Resolution #2016-11-199-J-4c

RESOLVED, That Troy City Council hereby **AWARDS** a one-year contract to provide seasonal requirements for Liquid Calcium Chloride with the option to renew for one additional year to the low bidder, *Liquid Calcium Chloride Sales, Inc. of Kawkawlin, MI* for an estimated total cost of \$32,000.00, at the unit prices contained in the bid tabulation opened November 17, 2016, a copy of which shall be **ATTACHED** to the original Minutes of this meeting with the contract expiring November 30, 2018.

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.

J-5 Troy Town Center Master Plan – Resolution of Support

Resolution #2016-11-199-J-5

WHEREAS, The City of Troy is exploring the potential of utilizing the 100-acre municipally owned real estate at Big Beaver and I-75 for a potential Town Center which will include public spaces, retail, residential, and civic buildings; and,

WHEREAS, This property is one of the prime real estate locations in the State of Michigan, and is located in the City of Troy's Downtown Development Authority, where the City of Troy's articulated vision, as set forth in the Big Beaver Corridor Study, the City of Troy Master Land Use Plan, and the City of Troy Zoning Ordinance, is to transform the Big Beaver District into a "world-class destination focused on mixed-use development and increased land use intensity that is oriented as much to the needs of the pedestrian as to those of the automobile;" and,

WHEREAS, The City of Troy selected Gibbs Planning Group, Inc., a recognized leader and pioneer of Traditional Town Planning and Smart Growth, and CORE Partners, a full-service real estate company, as consultants to assist in this effort. They have provided preliminary numbers essential to the potential project, retail and residential market studies, including land values; estimated infrastructure costs, demolition costs and development costs; hotel, residential, office, retail, City Hall finance costs; and the estimated revenues for all proposed land uses; and,

WHEREAS, The Troy Town Center Master Plan draft proposes 240,000 square feet of retail development, approximately 800 homes, 300 hotel rooms, civic buildings and a public square expected to be one of the most beautiful squares in southeast Michigan. The draft plan keeps most of the municipal buildings on the site with a plan for minor additions to some of the existing

municipal buildings; and,

WHEREAS, The City of Troy held a Joint Meeting with the Planning Commission on October 24, 2016 to discuss the Troy Town Center Master Plan proposal as developed by Gibbs Planning Group and CORE Partners. There was unanimous support for the attached Concept Plan D, Troy Town Center Master Plan; and,

WHEREAS, the Troy City Council and the Troy Planning Commission are both requested to pass a resolution, formally acknowledging that the attached Concept Plan D, Troy Town Center Master Plan captures the City of Troy's vision for the City owned property at one of the most desirable locations for mixed use development in the City of Troy; County of Oakland, and State of Michigan;

NOW THEREFORE, BE IT RESOLVED, That the City of Troy City Council formally **EMBRACES** the attached Concept Plan D, Troy Town Center Master Plan, as a reflection of the City of Troy's vision for approximately 100 acres of City owned property at the intersection of Big Beaver Road and Civic Center Drive, bounded by I-75 to the west and Livernois Road to the east.

BE IT FURTHER RESOLVED, That Gibbs Planning Group and CORE Partners are **AUTHORIZED** to promote the attached Concept Plan D and pursue the development of a Troy Town Center on behalf of the City of Troy.

J-6 PSAP (ESInet) Agreement Between Oakland County and City of Troy

Resolution #2016-11-199-J-6

WHEREAS, The Emergency Services IP Network (known as "ESInet") is the critical first step toward next-generation 911, supporting the transmission of video, images and other bandwidth-intensive data files used in future "Text to 911" applications; and,

WHEREAS, Oakland County has recently constructed and paid for the ESInet which links all PSAPs (known as Public Safety Answering Points-911 Centers) via secure and robust network designated only for emergency services communications;

NOW, THEREFORE BE IT RESOLVED, That Troy City Council hereby **APPROVES** the attached PSAP agreement between the City of Troy and Oakland County and **AUTHORIZES** the Chief of Police and City Clerk to execute the Agreement. A copy of the Agreement shall be **ATTACHED** to the original Minutes of the City Council meeting.

BE IT FURTHER RESOLVED, That Troy City Council hereby **DESIGNATES** the Troy Police Communications Sergeant as the primary point of contact for any notices sent to the public body, as required by paragraph 19.2. of the Agreement.

BE IT FINALLY RESOLVED, That Troy Police Chief Gary Mayer is **AUTHORIZED** to make any necessary administrative modifications to Exhibit A to the agreement (the Diagram of the ESInet demarcation) once final installation of the NG911 Fiber has been completed as long as the modifications do not change the terms of the Agreement.

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:

Jim Werpetinski	Commented on the proposed agenda item to replace Creative Endeavors with a wellness center.
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M. CITY COUNCIL/CITY ADMINISTRATION RESPONSE/REPLY TO PUBLIC COMMENT:

Council Member Baker thanked Mr. Werpetinski for his comments and agrees that Creative Endeavors should not be closed completely.

City Manager Kischnick commented that City Staff is looking at options for keeping Creative Endeavors open.

N. COUNCIL REFERRALS:

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

N-1 No Council Referrals Submitted

O. COUNCIL COMMENTS:

O-1 Council Comments

Mayor Pro Tem Hodorek announced the Winter Warmer Trees at multiple locations throughout Troy hosted by the Troy Women's Association.

Mayor Pro Tem Hodorek announced the upcoming delivery of the Winter edition of Troy Today. She also mentioned the Winter Wonderland event.

Mayor Pro Tem Hodorek announced that Toys for Tots donation boxes will be placed in City Hall and at the Troy Historic Museum.

Council Member McCown wished everyone a Happy Thanksgiving and reminded everyone to not drink and drive.

Council Member Abraham commented that she has a Council Member Challenge for matching donations to the Troy Public Library Endowment Fund.

Council Member Henderson wished everyone a Happy Thanksgiving.

P. REPORTS:

P-1 Minutes – Boards and Committees:

- a) Joint Local Development Finance Authority-Final – April 25, 2016
- b) Retiree Healthcare Benefits Plan & Trust Board of Trustees-Final – August 10, 2016
- c) Employees’ Retirement System Board of Trustees-Final – October 12, 2016
- d) Retiree Healthcare Benefits Plan & Trust Board of Trustees-Final – October 12, 2016
Noted and Filed

P-2 Department Reports: None Submitted

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:

The Meeting **ADJOURNED** at 8:14 PM.

Mayor Dane Slater

M. Aileen Dickson, MMC
City Clerk



CITY COUNCIL AGENDA ITEM

Date: November 30, 2016

To: Brian Kischnick, City Manager

From: MaryBeth Murz, Purchasing Manager
 Mark Miller, Director of Economic and Community Development
 Elaine S. Bo, Recreation Director
 Scott Mercer, Recreation Supervisor
 Kurt Bovensiep, Public Works Director
 Chief David Roberts, Fire Department

Subject: Standard Purchasing Resolution 1: Award To Low Bidder – Tee Shirts – Various City Departments

History

The Recreation Department routinely purchases Tee Shirts for staff and the youth and adult recreational programs throughout the year on an as needed basis. Tee shirts are used by the Recreation Center, Aquatic Center and the Community Center. Tee Shirts provide uniformed attire and make staff easily identifiable. Tee shirts are also furnished for league play, day camps, and league awards. The current Tee shirt contract has expired.

Other departments such as Fire and Public Works also purchase tee shirts to maintain a uniformed appearance for their employees working out in the field. The requirements for these departments have been added to the tee shirt bid so that quantities can be combined leveraging savings to City Departments.

Purchasing

On November 10, 2016, a bid opening was conducted as required by City Charter/Code and bid proposals were received at the City's request from firms interested in providing two (2) year requirements of 50/50 and 100% Cotton Tee Shirts and Sweatshirts for the City of Troy with an option to renew for one (1) additional year. Ninety-three (93) companies were notified via the Michigan Intergovernmental Trade Network (MITN) website with seven (7) proposals received. Also of the ninety-three (93) companies notified via MITN; fifty-five (55) companies were Michigan based companies.

Companies notified via MITN	93
Troy Companies notified via MITN	1
Troy Companies notified Active email Notification	1
Troy Companies notified Active Free	0
Companies that viewed the bid	33
Troy Companies that viewed the bid	0

***MITN** provides a resourceful online platform to streamline the procurement process, reduce costs, and make it easier and more transparent for vendors to do business with the City of Troy.*

Active MITN members with a current membership and paying annual dues receive automatic electronic notification which allows instant access to Bids, RFPS and Quote opportunities with the City.

Active MITN non-paying members are responsible to monitor and check the MITN website for opportunities to do business with the City.

Inactive MITN member status can occur when a company does not renew their account upon expiration. Inactive members cannot be notified of solicitations or access any bid information.

A detailed pricing list for each option was requested and received from six responsible, responsive bidders. The bid tabulation was analyzed and a reference check was conducted.

Financial

Funding for the purchase of Tee Shirts is available in the operating accounts of the Fire, Public Works, Recreation Departments respectively. The cost of Tee Shirts for the Recreation Department is built into registration and membership fees paid by participants.



CITY COUNCIL AGENDA ITEM

Recommendation

City management recommends awarding a two (2) year contract with an option to renew for one (1) additional year to provide Tee Shirts for the City Troy on an as needed basis to the low total bidder, *Ad-Wear & Specialty of Texas, Inc., of Houston Texas*, for an estimated total annual cost of \$46,203.30 at unit prices contained in the bid tabulation opened November 10, 2016; with all expenses not to exceed budgetary limitations.

Vendor	Express Press	Ad-Wear Specialty	All American Embroidery
	Springfield, MO	Houston, TX	Livonia, MI
Check #	No Bid Deposit Ck	40701765	(NOT CERTIFIED CK) 17847
Check Amt	N/A	\$ 2,000.00	\$ 2,000.00

ITEM #1 -- 50/50 Polyester w/One Color Imprint on Front

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
2000	Youth - Small, Med, Large	\$ 2.72	\$ 5,440.00	\$ 2.59	\$ 5,180.00	\$ 3.47	\$ 6,940.00
2000	Adult - Small, Med, Large, X-Large	\$ 2.72	\$ 5,440.00	\$ 2.45	\$ 4,900.00	\$ 3.07	\$ 6,140.00
60	Adult - XX-Large, XXX-Large	\$ 4.72	\$ 283.20	\$ 4.18	\$ 250.80	\$ 3.65	\$ 219.00
100	Cost Per Digit - Single	\$ 1.00	\$ 100.00	\$ 0.67	\$ 67.00	\$ 0.60	\$ 60.00
500	Cost Per Digit - Double	\$ 1.00	\$ 500.00	\$ 0.97	\$ 485.00	\$ 0.60	\$ 300.00
Quoting On Style:		Blank		8000B & 8000		PC55	
Manufactured By:		Gildan 8000/8000B		Gildan		Port & Company	
Number of Colors Available:		See Attached		33		30	

Estimated Total Item #1	\$ 11,763.20	\$ 10,882.80	\$ 13,659.00
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ITEM #2 -- Shirts, 100% Cotton - Short Sleeve 1 Color Imprint on Front

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
400	Adult - Medium Large, X-Large	\$ 2.72	\$ 1,088.00	\$ 2.59	\$ 1,036.00	\$ 3.07	\$ 1,228.00
100	Adult - XX-Large	\$ 4.72	\$ 472.00	\$ 3.97	\$ 397.00	\$ 3.95	\$ 395.00
Quoting On Style:		Blank		2000		PC61	
Manufactured By:		Gildan 2000		Gildan		Port & Company	
Number of Colors Available:		See Attached		68		55	

Estimated Total Item #2	\$ 1,560.00	\$ 1,433.00	\$ 1,623.00
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ITEM #3 -- Shirts, 100% Cotton - Short Sleeve (No Printing or Silk Screening)

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
350	Adult - Medium, Large, X-Large	\$ 2.15	\$ 752.50	\$ 1.99	\$ 696.50	\$ 2.40	\$ 840.00
50	Adult - XX-Large	\$ 4.15	\$ 207.50	\$ 3.87	\$ 193.50	\$ 3.25	\$ 162.50
Quoting On Style:		Blank		2000		PC61	
Manufactured By:		Gildan 2000		Gildan		Port & Company	
Number of Colors Available:		See Attached		68		55	

Estimated Total Item #3	\$ 960.00	\$ 890.00	\$ 1,002.50
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ITEM #4 -- Shirts, Tee Shirts(50% Cotton 50% Polyester Blend) 2 Color Imprint/Front and 1 Color Imprint on Back

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
2800	Youth - Small, Medium Large	\$ 3.60	\$ 10,080.00	\$ 2.89	\$ 8,092.00	\$ 3.67	\$ 10,276.00
1600	Adult - Medium, Large, X-Large	\$ 3.60	\$ 5,760.00	\$ 2.79	\$ 4,464.00	\$ 3.50	\$ 5,600.00
Quoting On Style:		Blank		8000		PC61	
Manufactured By:		Gildan 8000/8000B		Gildan		Port & Company	
Number of Colors Available:		See Attached		33		30	

Estimated Total Item #4	\$ 15,840.00	\$ 12,556.00	\$ 15,876.00
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Vendor	Express Press	Ad-Wear Specialty	All American Embroidery
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ITEM #5 -- Shirts, 100% Cotton - 2 Color Imprint/Front and Back

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
3200	Youth - Small, Medium Large	\$ 3.92	\$ 12,544.00	\$ 2.89	\$ 9,248.00	\$ 3.67	\$ 11,744.00
400	Adult - Medium, Large, X-Large	\$ 5.92	\$ 2,368.00	\$ 4.27	\$ 1,708.00	\$ 4.97	\$ 1,988.00
Quoting On Style:		Blank		2000		PC61	
Manufactured By:		Gildan 2000		Gildan		Port & Company	
Number of Colors Available:		See Attached		68		55	

Estimated Total Item #5	\$ 14,912.00	\$ 10,956.00	\$ 13,732.00
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ITEM #6 -- 50/50 Tee Shirts (50% Cotton/50% Polyester Blend) 4 Color Imprint/Front

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
400	Youth - Small, Medium Large	\$ 3.81	\$ 1,524.00	\$ 2.69	\$ 1,076.00	\$ 4.95	\$ 1,980.00
24	Adult - Medium, Large, X-Large	\$ 3.81	\$ 91.44	\$ 2.57	\$ 61.68	\$ 4.35	\$ 104.40
Quoting On Style:		Blank		8000B & 8000		PC55	
Manufactured By:		Gildan 8000/8000B		Gildan		Port & Company	
Number of Colors Available:		See Attached		33		30	

Estimated Total Item #6	\$ 1,615.44	\$ 1,137.68	\$ 2,084.40
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ITEM #7 -- Shirts, 100% Cotton - Two Color Imprint/Front, Screen Print with City Logo Placed on Uppler Left Chest Area

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
800	Adult - Small, Med, Large, X-Large	\$ 2.99	\$ 2,392.00	\$ 2.59	\$ 2,072.00	\$ 3.67	\$ 2,936.00
300	Adult - 2XL, 3XL, 4XL, 5XL	\$ 4.99	\$ 1,497.00	\$ 4.27	\$ 1,281.00	\$ 4.97	\$ 1,491.00
100	Adult 3XL, 4XL, 5XL	\$ 5.99	\$ 599.00	\$ 5.07	\$ 507.00	\$ 6.97	\$ 697.00
50	Adult Tall - XL	\$ 6.56	\$ 328.00	\$ 5.77	\$ 288.50	\$ 6.97	\$ 348.50
50	Adult Tall 2XL	\$ 7.01	\$ 350.50	\$ 6.03	\$ 301.50	\$ 6.97	\$ 348.50
50	Adult Tall 3XL	\$ 7.15	\$ 357.50	\$ 6.21	\$ 310.50	\$ 6.97	\$ 348.50
50	Adult Tall 4XL	\$ 8.65	\$ 432.50	\$ 6.27	\$ 313.50	\$ 6.97	\$ 348.50
Quoting On Style:		4XLT Hanes 518T		2000 & 2000T		PC61/PC61T	
Manufactured By:		Gildan 2000/2000T		Gildan		Port & Company	
Number of Colors Available:		See Attached		68		55	

Estimated Total Item #7	\$ 5,956.50	\$ 5,074.00	\$ 5,472.50
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ITEM #8 --Shirts, 100% Cotton - 2 Color Imprint/Front, Screen Print with City Logo Placed on Upper Left Chest Area Above Pocket

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
40	Adult - Small, Med, Large, X-Large	\$ 5.40	\$ 216.00	\$ 5.89	\$ 235.60	\$ 9.00	\$ 360.00
20	Adult - 2XL	\$ 7.40	\$ 148.00	\$ 7.19	\$ 143.80	\$ 11.50	\$ 230.00
20	Adult - 3XL-5XL	\$ 9.40	\$ 188.00	\$ 7.99	\$ 159.80	\$ 11.50	\$ 230.00
Quoting On Style:		Blank		2300		PC61P	
Manufactured By:		Gildan 2300		Gildan		Port & Company	
Number of Colors Available:		See Attached		68		17	

Estimated Total Item #8	\$ 552.00	\$ 539.20	\$ 820.00
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ITEM #9 --Shirts, 50/50 Blend, Tagless Dry Blend, Left chest logo in White, Rear of Shirt Logo in White

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
266	Adult - Small, Med, Large, X-Large	\$ 3.24	\$ 861.84	\$ 2.97	\$ 790.02	\$ 3.50	\$ 931.00
12	Adult - 2XL	\$ 5.24	\$ 62.88	\$ 2.79	\$ 33.48	\$ 4.75	\$ 57.00
12	Adult - 3XL-5XL	\$ 6.24	\$ 74.88	\$ 4.49	\$ 53.88	\$ 4.75	\$ 57.00
Quoting On Style:		Blank		8000		PC55	
Manufactured By:		Gildan 8000		Gildan		Port & Company	
Number of Colors Available:		See Attached		33		30	

Estimated Total Item #9	\$ 999.60	\$ 877.38	\$ 1,045.00
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Vendor	Express Press	Ad-Wear Specialty	All American Embroidery				
ITEM #10 --Sweatshirts, 50/50 Blend, Tagless, Left Chest Logo in white on Front, Rear of Shirt Logo in White, Crew Neck Style							
Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
290	Adult - Small, Med, Large, X-Large	\$ 7.57	\$ 2,195.30	\$ 6.29	\$ 1,824.10	\$ 7.37	\$ 2,137.30
2	Adult - 2XL	\$ 9.57	\$ 19.14	\$ 7.87	\$ 15.74	\$ 9.26	\$ 18.52
2	Adult - 3XL, 4XL, 5XL	\$ 10.57	\$ 21.14	\$ 8.70	\$ 17.40	\$ 9.26	\$ 18.52
Quoting On Style:		Blank	1800	PC78			
Manufactured By:		Gildan 18000	Gildan	Port & Company			
Number of Colors Available:		See Attached	38	27			

Estimated Total Item #10	\$ 2,235.58	\$ 1,857.24	\$ 2,174.34
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GRAND TOTAL ALL ITEMS	\$ 56,394.32	\$ 46,203.30	\$ 57,488.74
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Hours of Operation	8AM-6PM CT	8:30AM-5:00PM
24 Hour Contact Phone Number	713-703-3070	205-503-2480
Warranty	As Per Manufacturer	Blank
Exceptions	No Exceptions	Blank
All or None Award Y/N	YES	NO
References	YES	YES
Acknowledgements	YES	YES

Vendor	SP Designs Mfg Inc	Impressive Promo Prod	BSN Sports
	Cape Coral, FL	Clawson, MI	Dallas, TX
Check #	Not Certified Ck #1195	513904461-3	No Bid Deposit Submitted
Check Amt	2000	\$ 2,000.00	N/A

ITEM #1 -- 50/50 Polyester w/One Color Imprint on Front

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
2000	Youth - Small, Med, Large	\$ 2.84	\$ 5,680.00	\$ 3.50	\$ 7,000.00	\$ 3.58	\$ 7,160.00
2000	Adult - Small, Med, Large, X-Large	\$ 2.84	\$ 5,680.00	\$ 3.50	\$ 7,000.00	\$ 3.33	\$ 6,660.00
60	Adult - XX-Large, XXX-Large	\$ 3.94	\$ 236.40	\$ 5.50	\$ 330.00	\$ 5.70	\$ 342.00
100	Cost Per Digit - Single	\$ 0.26	\$ 26.00	\$ 1.00	\$ 100.00	\$ 0.90	\$ 90.00
500	Cost Per Digit - Double	\$ 0.52	\$ 260.00	\$ 1.00	\$ 500.00	\$ 1.80	\$ 900.00
	Quoting On Style:	Gildan 8000		G800B & G800		8000/8000B	
	Manufactured By:	Gildan		Gildan		Gilden	
	Number of Colors Available:	Multiple		29		30	

Estimated Total Item #1	\$ 11,882.40	\$ 14,930.00	\$ 15,152.00
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ITEM #2 -- Shirts, 100% Cotton - Short Sleeve 1 Color Imprint on Front

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
400	Adult - Medium Large, X-Large	\$ 2.72	\$ 1,088.00	\$ 3.75	\$ 1,500.00	\$ 3.47	\$ 1,388.00
100	Adult - XX-Large	\$ 3.82	\$ 382.00	\$ 5.75	\$ 575.00	\$ 5.94	\$ 594.00
	Quoting On Style:	G5000		G200		2000	
	Manufactured By:	Gildan		Gildan		Gilden	
	Number of Colors Available:	Multiple		63		30	

Estimated Total Item #2	\$ 1,470.00	\$ 2,075.00	\$ 1,982.00
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ITEM #3 -- Shirts, 100% Cotton - Short Sleeve (No Printing or Silk Screening)

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
350	Adult - Medium, Large, X-Large	\$ 2.21	\$ 773.50	\$ 3.50	\$ 1,225.00	\$ 2.49	\$ 871.50
50	Adult - XX-Large	\$ 3.31	\$ 165.50	\$ 5.50	\$ 275.00	\$ 4.45	\$ 222.50
	Quoting On Style:	G5000		G200		2000	
	Manufactured By:	Gildan		Gildan		Gilden	
	Number of Colors Available:	Various		63		30	

Estimated Total Item #3	\$ 939.00	\$ 1,500.00	\$ 1,094.00
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ITEM #4 -- Shirts, Tee Shirts(50% Cotton 50% Polyester Blend) 2 Color Imprint/Front and 1 Color Imprint on Back

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
2800	Youth - Small, Medium Large	\$ 3.06	\$ 8,568.00	\$ 4.00	\$ 11,200.00	\$ 4.90	\$ 13,720.00
1600	Adult - Medium, Large, X-Large	\$ 4.06	\$ 6,496.00	\$ 4.00	\$ 6,400.00	\$ 4.79	\$ 7,664.00
	Quoting On Style:	G8000/8000b		G800B & G800		8000/8000B	
	Manufactured By:	Gildan		Gildan		Gilden	
	Number of Colors Available:	Various		29		30	

Estimated Total Item #4	\$ 15,064.00	\$ 17,600.00	\$ 21,384.00
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Vendor	SP Designs & Mfg Inc	Impressive Promo Prod	BSN Sports
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ITEM #5 -- Shirts, 100% Cotton - 2 Color Imprint/Front and Back

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
3200	Youth - Small, Medium Large	\$ 2.90	\$ 9,280.00	\$ 4.50	\$ 14,400.00	\$ 5.10	\$ 16,320.00
400	Adult - Medium, Large, X-Large	\$ 3.90	\$ 1,560.00	\$ 6.50	\$ 2,600.00	\$ 7.57	\$ 3,028.00
Quoting On Style:		G5000		G200		2000	
Manufactured By:		Gildan		Gildan		Gilden	
Number of Colors Available:		Various		29		30	

Estimated Total Item #5	\$	10,840.00	\$	17,000.00	\$	19,348.00
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ITEM #6 -- 50/50 Tee Shirts (50% Cotton/50% Polyester Blend) 4 Color Imprint/Front

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
400	Youth - Small, Medium Large	\$ 3.30	\$ 1,320.00	\$ 4.00	\$ 1,600.00	\$ 5.20	\$ 2,080.00
24	Adult - Medium, Large, X-Large	\$ 3.30	\$ 79.20	\$ 4.00	\$ 96.00	\$ 5.20	\$ 124.80
Quoting On Style:		G8000		G800B & G800		2000/2000B	
Manufactured By:		Gildan		Gildan		Gilden	
Number of Colors Available:		Various		29		30	

Estimated Total Item #6	\$	1,399.20	\$	1,696.00	\$	2,204.80
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ITEM #7 -- Shirts, 100% Cotton - Two Color Imprint/Front, Screen Print with City Logo Placed on Uppler Left Chest Area

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
800	Adult - Small, Med, Large, X-Large	\$ 3.00	\$ 2,400.00	\$ 4.95	\$ 3,960.00	\$ 4.05	\$ 3,240.00
300	Adult - 2XL	\$ 4.00	\$ 1,200.00	\$ 6.95	\$ 2,085.00	\$ 7.95	\$ 2,385.00
50	Adult 3XL	\$ 5.50	\$ 275.00	\$ 8.95	\$ 447.50	\$ 7.95	\$ 397.50
50	Adult 4XL	\$ 6.75	\$ 337.50	\$ 8.95	\$ 447.50	\$ 7.95	\$ 397.50
50	Adult 5XL	\$ 8.00	\$ 400.00	\$ 8.95	\$ 447.50	\$ 7.95	\$ 397.50
50	Adult Tall - XL	\$ 4.09	\$ 204.50	\$ 8.95	\$ 447.50	\$ 7.95	\$ 397.50
50	Adult Tall 2XL	\$ 7.19	\$ 359.50	\$ 8.95	\$ 447.50	\$ 7.95	\$ 397.50
50	Adult Tall 3XL	\$ 7.47	\$ 373.50	\$ 8.95	\$ 447.50	\$ 7.95	\$ 397.50
50	Adult Tall 4XL	\$ 7.78	\$ 389.00	\$ 8.95	\$ 447.50	\$ 7.95	\$ 397.50
Quoting On Style:		G5000 & PC55T		G200 & G200T		5000	
Manufactured By:		Gildan/Port & Company		Gildan		Gilden	
Number of Colors Available:		Various		63		30	

Estimated Total Item #7	\$	5,939.00	\$	9,177.50	\$	8,407.50
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ITEM #8 --Shirts, 100% Cotton - 2 Color Imprint/Front, Screen Print with City Logo Placed on Upper Left Chest Area Above Pocket

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
40	Adult - Small, Med, Large, X-Large	\$ 5.88	\$ 235.20	\$ 8.95	\$ 358.00	\$ 4.15	\$ 166.00
10	Adult - 2XL	\$ 7.46	\$ 74.60	\$ 10.95	\$ 109.50	\$ 7.75	\$ 77.50
10	Adult - 3XL	\$ 8.81	\$ 88.10	\$ 10.95	\$ 109.50	\$ 7.75	\$ 77.50
10	Adult - 4XL	\$ 8.90	\$ 89.00	\$ 10.95	\$ 109.50	\$ 7.75	\$ 77.50
10	Adult - 5XL	\$ 9.00	\$ 90.00	\$ 10.95	\$ 109.50	\$ 7.75	\$ 77.50
Quoting On Style:		Gildan 2300 Pocket		G230		5000	
Manufactured By:		Gildan		Gildan		Gilden	
Number of Colors Available:		Various		17		30	

Estimated Total Item #8	\$	576.90	\$	796.00	\$	476.00
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ITEM #9 --Shirts, 50/50 Blend, Tagless Dry Blend, Left chest logo in White, Rear of Shirt Logo in White

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
266	Adult - Small, Med, Large, X-Large		\$ -	\$ 3.75	\$ 997.50		\$ -
12	Adult - 2XL		\$ -	\$ 5.75	\$ 69.00		\$ -
12	Adult - 3XL-5XL		\$ -	\$ 5.75	\$ 69.00		\$ -
Quoting On Style:		NO BID		G800		NO BID	
Manufactured By:				Gildan			
Number of Colors Available:				29			

Estimated Total Item #9	\$	-	\$	1,135.50	\$	-
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TEE SHIRTS

Vendor		SP Designs Mfg Inc	Impressive Promo Prod	BSN Sports			
ITEM #10 --Sweatshirts, 50/50 Blend, Tagless, Left Chest Logo in white on Front, Rear of Shirt Logo in White, Crew Neck Style							
Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
290	Adult - Small, Med, Large, X-Large		\$ -	\$ 10.95	\$ 3,175.50		\$ -
2	Adult - 2XL		\$ -	\$ 12.95	\$ 25.90		\$ -
2	Adult - 3XL, 4XL, 5XL		\$ -	\$ 12.95	\$ 25.90		\$ -
	Quoting On Style:	NO BID		G180		NO BID	
	Manufactured By:			Gildan			
	Number of Colors Available:			31 Colors			
Estimated Total Item #10		\$	-	\$	3,227.30	\$	-
GRAND TOTAL ALL ITEMS		\$	48,110.50	\$	69,137.30	\$	70,048.30
	Hours of Operation	8:00AM-5:00PM		8:00AM-5:30PM		7:00AM-5:00PM	
	24 Hour Contact Phone Number	239-424-8060 X132		248-390-8028		800-527-7510	
	Warranty	90 days against mfg		Manufacturer		1 Year Std Mfg	
	Exceptions	Blank		Request surety decrease		Blank	
	All or None Award Y/N	No		No		No	
	References	Yes		Yes		Yes	
	Acknowledgements	Yes		Yes		Yes	

Vendor	Redline Specialty Inc		
	Troy MI		
Check #	No Bid Deposit Submitted		
Check Amt	N/A		

ITEM #1 -- 50/50 Polyester w/One Color Imprint on Front								
Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	
2000	Youth - Small, Med, Large		\$ -		\$ -		\$ -	
2000	Adult - Small, Med, Large, X-Large		\$ -		\$ -		\$ -	
60	Adult - XX-Large, XXX-Large		\$ -		\$ -		\$ -	
100	Cost Per Digit - Single		\$ -		\$ -		\$ -	
500	Cost Per Digit - Double		\$ -		\$ -		\$ -	
Quoting On Style:		NO BID						
Manufactured By:								
Number of Colors Available:								
Estimated Total Item #1		\$	-	\$	-	\$	-	

ITEM #2 -- Shirts, 100% Cotton - Short Sleeve 1 Color Imprint on Front								
Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	
400	Adult - Medium Large, X-Large		\$ -		\$ -		\$ -	
100	Adult - XX-Large		\$ -		\$ -		\$ -	
Quoting On Style:		NO BID						
Manufactured By:								
Number of Colors Available:								
Estimated Total Item #2		\$	-	\$	-	\$	-	

ITEM #3 -- Shirts, 100% Cotton - Short Sleeve (No Printing or Silk Screening)								
Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	
350	Adult - Medium, Large, X-Large		\$ -		\$ -		\$ -	
50	Adult - XX-Large		\$ -		\$ -		\$ -	
Quoting On Style:		NO BID						
Manufactured By:								
Number of Colors Available:								
Estimated Total Item #3		\$	-	\$	-	\$	-	

ITEM #4 -- Shirts, Tee Shirts(50% Cotton 50% Polyester Blend) 2 Color Imprint/Front and 1 Color Imprint on Back								
Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	
2800	Youth - Small, Medium Large		\$ -		\$ -		\$ -	
1600	Adult - Medium, Large, X-Large		\$ -		\$ -		\$ -	
Quoting On Style:		NO BID						
Manufactured By:								
Number of Colors Available:								
Estimated Total Item #4		\$	-	\$	-	\$	-	

Vendor

Redline Specialty

ITEM #5 -- Shirts, 100% Cotton - 2 Color Imprint/Front and Back

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
3200	Youth - Small, Medium Large		\$ -		\$ -		\$ -
400	Adult - Medium, Large, X-Large		\$ -		\$ -		\$ -
Quoting On Style:		NO BID					
Manufactured By:							
Number of Colors Available:							

Estimated Total Item #5 \$ - \$ - \$ -

ITEM #6 -- 50/50 Tee Shirts (50% Cotton/50% Polyester Blend) 4 Color Imprint/Front

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
400	Youth - Small, Medium Large		\$ -		\$ -		\$ -
24	Adult - Medium, Large, X-Large		\$ -		\$ -		\$ -
Quoting On Style:		NO BID					
Manufactured By:							
Number of Colors Available:							

Estimated Total Item #6 \$ - \$ - \$ -

ITEM #7 -- Shirts, 100% Cotton - Two Color Imprint/Front, Screen Print with City Logo Placed on Uppler Left Chest Area

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
800	Adult - Small, Med, Large, X-Large		\$ -		\$ -		\$ -
300	Adult - 2XL		\$ -		\$ -		\$ -
50	Adult 3XL		\$ -		\$ -		\$ -
50	Adult 4XL		\$ -		\$ -		\$ -
50	Adult 5XL		\$ -		\$ -		\$ -
50	Adult Tall - XL		\$ -		\$ -		\$ -
50	Adult Tall 2XL		\$ -		\$ -		\$ -
50	Adult Tall 3XL		\$ -		\$ -		\$ -
50	Adult Tall 4XL		\$ -		\$ -		\$ -
Quoting On Style:		NO BID					
Manufactured By:							
Number of Colors Available:							

Estimated Total Item #7 \$ - \$ - \$ -

ITEM #8 --Shirts, 100% Cotton - 2 Color Imprint/Front, Screen Print with City Logo Placed on Upper Left Chest Area Above Pocket

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
40	Adult - Small, Med, Large, X-Large		\$ -		\$ -		\$ -
10	Adult - 2XL		\$ -		\$ -		\$ -
10	Adult - 3XL		\$ -		\$ -		\$ -
10	Adult - 4XL		\$ -		\$ -		\$ -
10	Adult - 5XL		\$ -		\$ -		\$ -
Quoting On Style:		NO BID					
Manufactured By:							
Number of Colors Available:							

Estimated Total Item #8 \$ - \$ - \$ -

Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
266	Adult - Small, Med, Large, X-Large	\$ 3.96	\$ 1,053.36		\$ -		\$ -
4	Adult - 2XL	\$ 7.35	\$ 29.40		\$ -		\$ -
4	Adult - 3XL	\$ 7.96	\$ 31.84				
8	Adult - 4XL & 5XL	\$ 8.50	\$ 68.00				
	Quoting On Style:	8000					
	Manufactured By:	Gildan					
	Number of Colors Available:	31					

Estimated Total Item #9	\$ 1,182.60	\$ -	\$ -
Vendor	Redline Specialty		

ITEM #10 --Sweatshirts, 50/50 Blend, Tagless, Left Chest Logo in white on Front, Rear of Shirt Logo in White, Crew Neck Style							
Est Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
290	Adult - Small, Med, Large, X-Large	\$ 9.50	\$ 2,755.00		\$ -		\$ -
1	Adult - 2XL	\$ 11.96	\$ 11.96		\$ -		\$ -
1	Adult - 3XL	\$ 12.50	\$ 12.50		\$ -		\$ -
1	Adult - 4XL	\$ 12.75	\$ 12.75				
1	Adult - 5XL	\$ 13.96	\$ 12.50				
	Quoting On Style:	18000					
	Manufactured By:	Gildan					
	Number of Colors Available:	31					

Estimated Total Item #10	\$ 2,804.71	\$ -	\$ -
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GRAND TOTAL ALL ITEMS	\$ 3,987.31	\$ -	\$ -
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Hours of Operation	Not submitted		
24 Hour Contact Phone Number	Not Submitted		
Warranty	Not submitted		
Exceptions	Not submitted		
All or None Award Y/N	Not submitted		
References	Not submitted		
Acknowledgements	No		

ATTEST:

Kurt Bovensiep
 Susan Reisterer
 Enna A. Bachelor

Mary Beth Murz, Purchasing Manager



CITY COUNCIL ACTION REPORT

Date: November 21, 2016

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic and Community Development
Steven J. Vandette, City Engineer
William J. Huotari, Deputy City Engineer/Traffic Engineer

Subject: Traffic Committee Recommendations and Minutes – November 16, 2016

At the Traffic Committee meeting of November 16, 2016, the following recommendations were made for City Council approval:

4. Request for “DO NOT BLOCK INTERSECTION” sign – Rochester at Player Drive

RESOLVED, that a DO NOT BLOCK INTERSECTION sign be **APPROVED** for installation on northbound Rochester Road at Player Drive

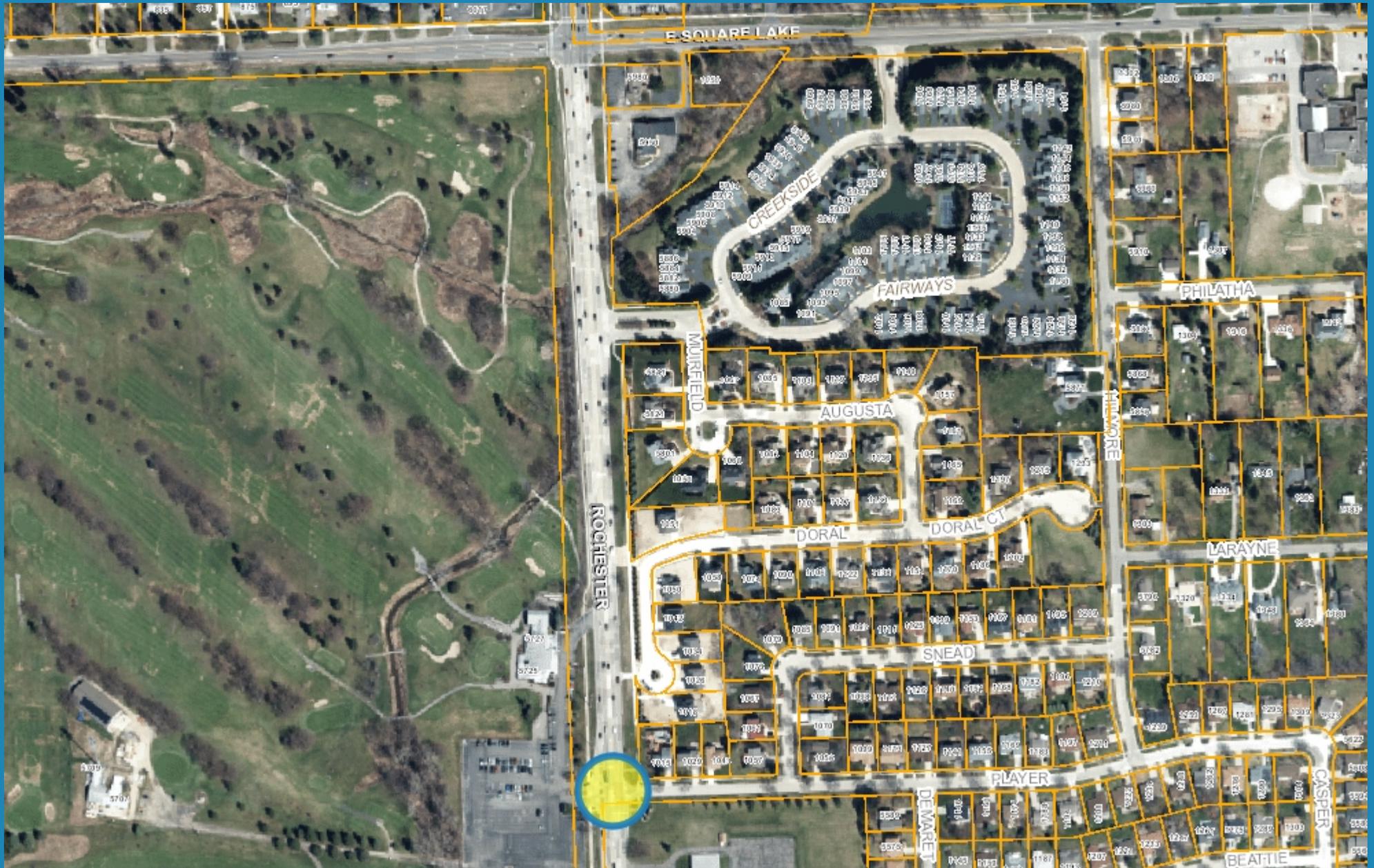
5. Request for Traffic Control – Prestwick Drive at Wentworth Drive

RESOLVED, that the intersection of Prestwick at Wentworth be **MODIFIED** from no traffic control to a STOP sign on the Prestwick Drive westbound approach to Wentworth.

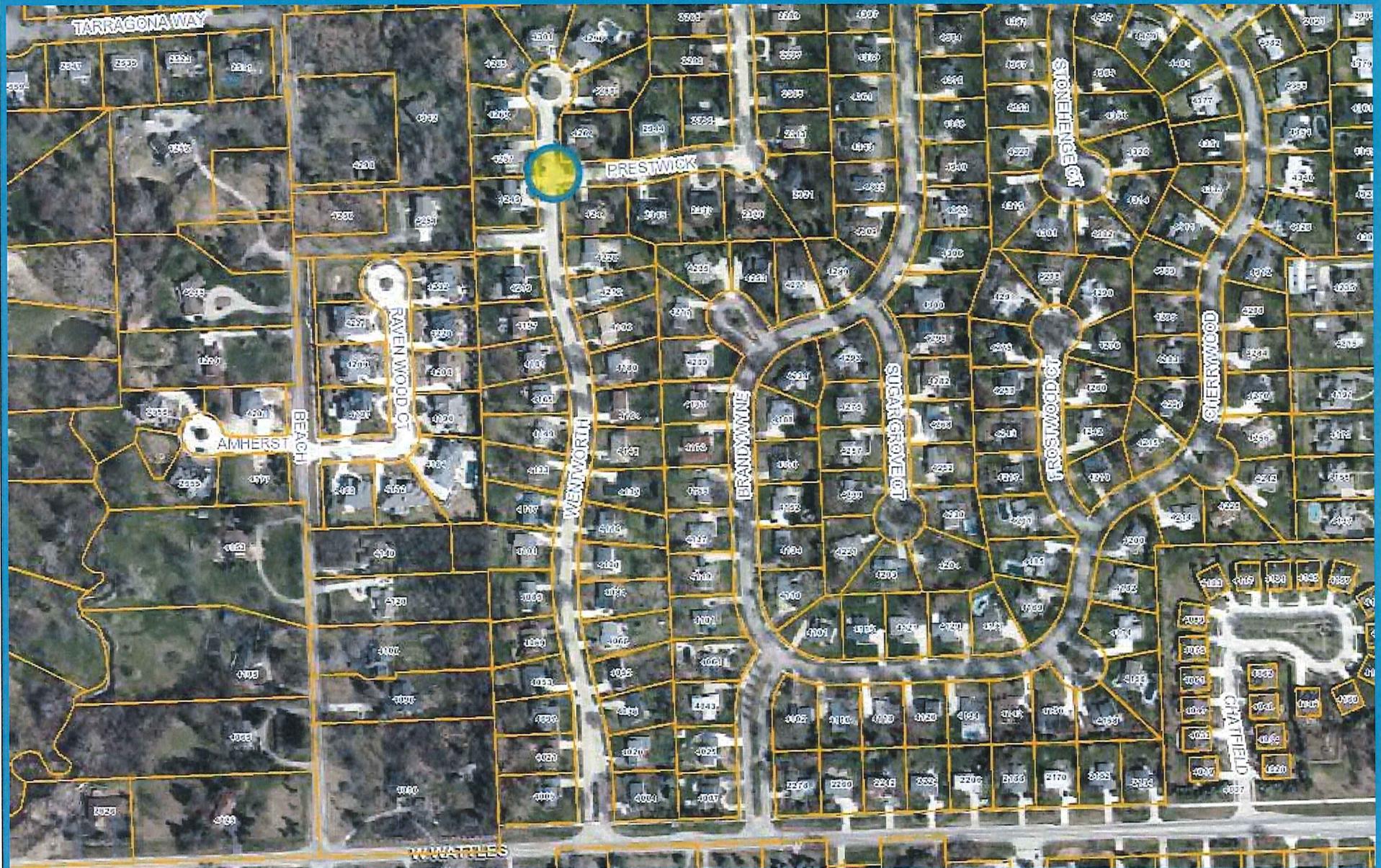
6. Request for “DO NOT BLOCK INTERSECTION” sign – I-75 at Rochester Road

RESOLVED, that DO NOT BLOCK INTERSECTION signs be **APPROVED** for installation at the I-75 northbound ramp to Rochester Road.

Minutes of the meeting are attached.



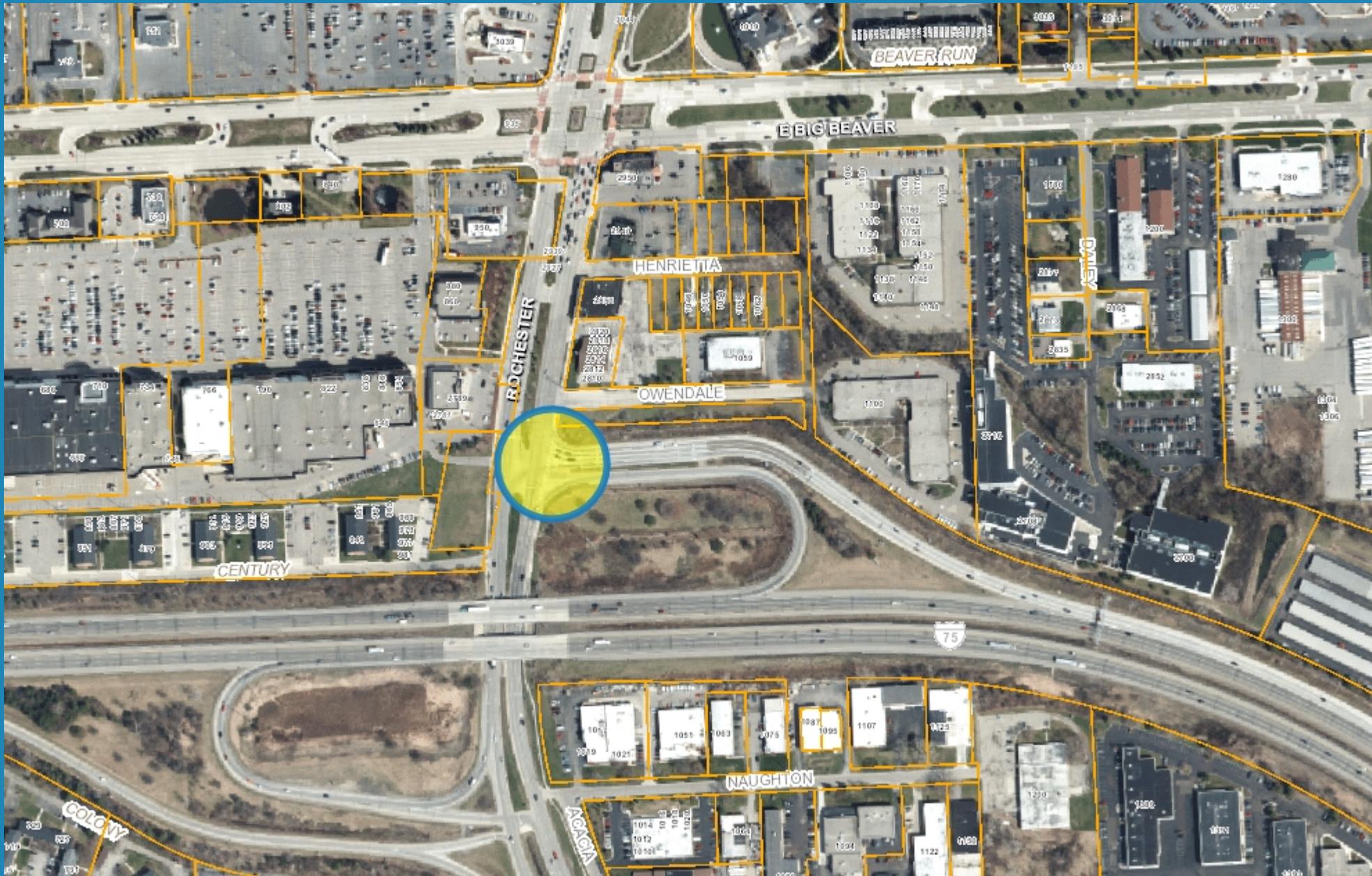
Note: The information provided by this application has been compiled from recorded deeds, plats, tax maps, surveys, and other public records and data. It is not a legally recorded map survey. Users of this data are hereby notified that the source information represented should be consulted for verification.



833 0 417 833Feet



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.



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.

A regular meeting of the Troy Traffic Committee was held Wednesday, November 16, 2016 in the Lower Level Conference Room at Troy City Hall. Pete Ziegenfelder called the meeting to order at 7:30 p.m.

1. Roll Call

Present: Richard Kilmer
Al Petrusis
Cynthia Wilsher
Pete Ziegenfelder
Muyang Wang (Student Representative)

Absent: Mitch Huber

Also present: Don Johnson, 2199 Brinston
Keith Nelson, 5920 N. Adams
Robert Tourtillott, 5900 Adams
Lt. Eric Caloia, Fire Department
Sgt. Mike Szuminski, Police Department
Bill Huotari, Deputy City Engineer/Traffic Engineer

2. Minutes – October 19, 2016

Resolution # 2016-11-37
Moved by Kilmer
Seconded by Petrusis

To approve the October 19, 2016 minutes as printed.

Yes: Kilmer, Petrusis, Wilsher, Ziegenfelder
No: None
Absent: Huber

MOTION CARRIED

PUBLIC HEARINGS

3. Request for Sidewalk Waiver - 5920 N. Adams Road – Sidwell #88-20-07-101-002

Keith Nelson requests a sidewalk waiver for the sidewalk at 5920 N. Adams Road (Sidwell #88-20-07-101-002). Mr. Nelson states “*there is no sidewalk to connect to on the south for roughly ½ mile*”. There is however sidewalk to the north, directly adjacent to the subject parcel, which connects to the intersection of Adams Road and Square Lake Road.

The Department of Public Works (DPW) recommends denying this waiver request and requiring the installation of sidewalk on Adams Road.

Mr. Nelson was in attendance at the meeting and was in favor of a sidewalk waiver. He stated

that he was the builder of the house and he did not want to pay for the sidewalk or maintain it. He explained that there was an existing sidewalk on the west side of Adams [in Bloomfield Township]. He also had concerns about people wandering from the senior facility to his property.

Mr. Bob Tourtillott of 5900 Adams also opposed the installation of sidewalk along Adams Road. Mr. Tourtillott said that there is no existing sidewalk on Adams and he does not want sidewalk installed on or near his property.

Traffic Engineering did receive an email from Marge Qualmann of 2914 Lenox who is opposed to the installation of sidewalk.

Mr. Ziegenfelder asked about any plans to widen Adams Road [there are no current plans to widen Adams Road].

Mr. Kilmer discussed the DPW memo that recommends that sidewalk be required and installed at this location. He supports the recommendation and believes sidewalk should be installed.

Ms. Wilsher also supports sidewalks in Troy as City Council wants the city to be walkable.

Mr. Wang explained that the Troy High School cross country team trains along this route during their higher mileage days. Sidewalks are helpful so that athletes can run on a hard surface and out of the influence of the road.

Mr. Petrusis asked about the location of the proposed sidewalk. The plot plan submitted with the sidewalk waiver request shows the eight (8) foot wide concrete sidewalk one (1) foot off the property line, which is typical.

Resolution # 2016-11-38

Moved by Kilmer

Seconded by Wilsher

WHEREAS, the Traffic Committee has determined, after a public hearing, that Petitioner failed to establish the standards justifying the granting of a waiver,

NOW THEREFORE, BE IT RESOLVED, that the Traffic Committee **DENIES** a waiver of the sidewalk requirement for 5920 N. Adams Road (Sidwell #88-20-07-101-002).

Yes: Kilmer, Petrusis, Wilsher, Ziegenfelder

No: None

Absent: Huber

MOTION CARRIED

REGULAR BUSINESS

4. Request for “DO NOT BLOCK INTERSECTION” sign – Rochester at Player Drive

Mike O'Hare of 1172 Beattie Drive requests a "DO NOT BLOCK INTERSECTION" sign at the intersection of Player Drive and Rochester Road.

Northbound traffic backs up on Rochester Road at Square Lake through the Player Drive intersection making ingress/egress difficult from the homes east of Rochester Road. There is an existing traffic signal at this location, but traffic backs up through the intersection making turns difficult even on a green light for Player Drive. Drivers seeking an alternate north/south route to avoid the I75 construction has increased the number of times the intersection is blocked during the PM peak hour.

No residents were in attendance at the meeting to discuss the request.

Mr. Kilmer discussed that the intersection had an existing traffic signal and drivers should pay attention to the signal.

Mr. Ziegenfelder asked if a sign allows for Troy Police to more easily enforce DO NOT BLOCK INTERSECTION locations.

Sgt. Szuminski replied in the affirmative.

Ms. Wilsher drives this area frequently and observes drivers blocking the intersection. She believes that a sign would a visible reminder to not block the intersection.

Mr. Petrulis discussed his observations at this intersection as well as others in and around Troy. This is a common problem at this location.

Resolution # 2016-11-39

Moved by Petrulis

Seconded by Wilsher

RESOLVED, that a DO NOT BLOCK INTERSECTION sign be **APPROVED** for installation on northbound Rochester Road at Player Drive

Yes: Kilmer, Petrulis, Wilsher, Ziegenfelder

No: None

Absent: Huber

MOTION CARRIED

5. Request for Traffic Control – Prestwick Drive at Wentworth Drive

A resident along Prestwick stopped the City's Sign Crew stating that "*there used to be a Stop sign on Prestwick at Wentworth*". The resident further added that traffic does not yield the right-of-way and creates a hazardous condition at the intersection. A request to review the intersection was forwarded to the Traffic Engineer.

Ms. Wilsher discussed that this area is within an older subdivision and most likely did have signs at one time. The vegetation has been growing for years and a Stop sign is needed at

this location.

Mr. Kilmer asked where a Stop sign would be placed [on the westbound approach to Prestwick Drive].

Mr. Petrulis agrees that the intersection is somewhat obstructed by vegetation and it is difficult to see. He discussed that the OHM Advisors report found that the Safe Approach Speed was 6.9 mph.

Ms. Wilsher thought that the residents on the corners should look at their landscaping and trim it up to provide better visibility at the intersection.

Traffic Engineering did receive one (1) email and one (1) phone call in support of a Stop sign on Prestwick.

Resolution # 2016-11-40

Moved by Kilmer

Seconded by Wilsher

RESOLVED, that the intersection of Prestwick at Wentworth be **MODIFIED** from no traffic control to a STOP sign on the Prestwick Drive westbound approach to Wentworth.

Yes: Kilmer, Petrulis, Wilsher, Ziegenfelder

No: None

Absent: Huber

MOTION CARRIED

6. Request for “DO NOT BLOCK INTERSECTION” sign – I-75 at Rochester Road

Troy Police received a concern about traffic from northbound I-75 blocking the intersection with Rochester Road.

Troy Police reviewed the concern and the following summarizes what the officer reported:

“There is grid-lock occurring through most traffic cycles during the PM rush at Rochester and I-75. The problem is caused by a significant increase in traffic exiting NB I-75 to NB Rochester trying to avoid road construction farther north on the freeway. Although the exit to NB Rochester has many lanes, it cannot handle the massive increase in traffic seen now during the PM rush. Traffic exiting the freeway backs-up and clogs the intersection, then when the signal changes to green for NB Rochester, there is nowhere for the traffic already in the intersection (backed up from Big Beaver) to go. He and I discussed re-timing the signals, but the signals in that area are already timed to allow for maximum traffic flow. If we increased the green for Rochester, we’d cause significant problems for Big Beaver. There are no adjustments that can be made to further increase traffic flow”.

Mr. Kilmer drives through this area daily and agrees that drivers block the intersection and

create issues for other directions.

Sgt. Szuminski discussed that the Police Department receives a lot of calls regarding this location and has provided enforcement when officers are available. The signs have helped at other locations and they do assist in enforcement and compliance by drivers.

Resolution # 2016-11-41
Moved by Kilmer
Seconded by Wilsher

RESOLVED, that DO NOT BLOCK INTERSECTION signs be **APPROVED** for installation at the I-75 northbound ramp to Rochester Road.

MOTION CARRIED

7. Public Comment

Mr. Nelson asked additional questions regarding the sidewalk waiver process.

8. Other Business

Student Representative Muyang Wang formally introduced himself to the Committee.

There is no meeting scheduled for December 2016. The next meeting will be on January 18, 2017.

9. Adjourn

The meeting adjourned at 8:16 p.m.

Pete Ziegenfelder, Chairperson

Bill Huotari, Deputy City Engineer/Traffic Engineer

A regular meeting of the Troy Traffic Committee was held Wednesday, October 19, 2016 in the Lower Level Conference Room at Troy City Hall. Pete Ziegenfelder called the meeting to order at 7:30 p.m.

1. Roll Call

Present: Tim Brandstetter
Mitch Huber
Al Petruilis
Cynthia Wilsher
Pete Ziegenfelder

Absent: Richard Kilmer

Also present: Terry Stuart, 6303 Tutbury
Justin Brox, 5844 Niles
Gordon Armstrong, 95 W. Square Lake
Lt. Eric Caloia, Fire Department
Sgt. Mike Szuminski, Police Department
Bill Huotari, Deputy City Engineer/Traffic Engineer

2. Minutes – October 19, 2016

Resolution # 2016-10-31
Moved by Petruilis
Seconded by Wilsher

To approve the September 21, 2016 minutes as printed.

Yes: Brandstetter, Huber, Petruilis, Wilsher, Ziegenfelder
No: None
Absent: Kilmer

MOTION CARRIED

REGULAR BUSINESS

3. Request for Traffic Control – Welling at Calvert

At the September 21, 2016 Traffic Committee meeting, Mr. Bob Brokenshire of 1596 Welling requested that the intersection of Welling at Calvert be reviewed. There are existing Yield signs on the Welling Drive approaches to Calvert. He felt that the existing Yield signs did not provide the proper traffic control at the intersection. Mr. Brokenshire stated that traffic does not yield the right-of-way, travels through the intersection at a high rate of speed, is unsafe for drivers and pedestrians and creates a hazardous condition.

No residents were in attendance at the meeting to discuss the request.

Traffic Engineering did receive one (1) phone call in opposition to any changes at the intersection.

Mr. Brandstetter discussed the need for any changes at the intersection. The Yield signs appear to be appropriate for the intersection based on the study by OHM.

Mr. Petruilis discussed the only resident input received was in opposition to the request.

Resolution # 2016-10-32
Moved by Brandstetter
Seconded by Petrulis

RESOLVED, that NO CHANGE be made at the intersection of Welling at Calvert.

Yes: Brandstetter, Huber, Petrulis, Wilsher, Ziegenfelder
No: None
Absent: Kilmer

MOTION CARRIED

4. Request for Traffic Control – Tutbury at Bretby

Mr. Terry Stuart of 6303 Tutbury states that the lack of existing traffic control at the intersection of Tutbury at Bretby creates a hazardous condition. Traffic does not yield the right-of-way and travels through the intersection at a high rate of speed and is unsafe for drivers and pedestrians. Increased traffic due to the I-75 construction has further exacerbated the issue with higher volumes of traffic during the peak hours

Terry Stuart of 6303 Tutbury was in attendance at the meeting to support the request for traffic control at the intersection. Mr. Stuart discussed that the intersection is just east of Adams and driver confusion when they get to the intersection. Trees at the intersection obstruct a driver's view and lead to situations where drivers may not be able to see oncoming traffic. The I75 construction has led to an increase in traffic and frustration by drivers. Mr. Stuart supports Yield signs at the intersection.

Mr. Petrulis stated that this is an odd intersection when you approach it and believes it requires some type of traffic control. A Yield sign may be sufficient.

Ms. Wilsher would rather see a Stop sign. When you can't see traffic at an intersection you should approach the intersection with caution.

Mr. Brandstetter asked the residents if Tutbury was the appropriate street for Yield signs [they responded in the affirmative].

Mr. Petrulis recommended that the trees in the right-of-way be trimmed.

Mr. Brandstetter added that even if the trees were trimmed there would still be the need for Yield signs at the intersection.

Resolution # 2016-10-33
Moved by Petrulis
Seconded by Huber

RESOLVED, that the intersection of Tutbury at Bretby be **MODIFIED** from no traffic control to YIELD control on the Tutbury Lane approaches to the intersection.

Yes: Brandstetter, Huber, Petrulis, Wilsher, Ziegenfelder
No: None
Absent: Kilmer

MOTION CARRIED

5. Request for Traffic Control – Haldane at Niles

Mr. Gordon Armstrong of 95 W. Square Lake Road contacted the City's Building Official regarding the lack of traffic control signs at the intersection of Haldane and Niles. The resident stated that traffic does not yield the right-of-way and creates a hazardous condition at the intersection.

Mr. Armstrong was in attendance at the meeting to discuss this request. He reports that there are 16 buildings on Niles and 30 houses, with 54 vehicles that he counted. He has never seen a problem with residents on Niles or Haldane, but attributes the issue to cut through traffic from Livernois to Square Lake or vice versa. Drivers take the intersection at high rates of speed and create an unsafe situation as they travel into the opposing lane of traffic during their turn. Mr. Armstrong reports that there are many children in this area and in the interest of safety he believes Stop signs are appropriate at the intersection.

Mr. Justin Brox of 5844 Niles was in attendance and supported what Mr. Armstrong stated. Mr. Brox added that Livernois at Square Lake gets very congested and drivers cut through on Haldane and Niles to avoid the backup at the traffic signal. He stated that this will always be a "high child neighborhood" due to the school near Niles and Square Lake.

Ms. Wilsher added that there is a lot of vegetation at the intersection that obstructs a driver's vision. She added that you must stop before proceeding.

Mr. Petruilis discussed that the primary cut through was from northbound Livernois to westbound Square Lake to avoid the left turn backup at the Square Lake and Livernois intersection.

Resolution # 2016-10-34
Moved by Huber
Seconded by Wilsher

RESOLVED, that the intersection of Haldane at Niles be **MODIFIED** from no traffic control to STOP control on the Haldane Drive approaches to the intersection.

This motion was amended by Mr. Huber and supported by Mr. Petruilis.

Resolution # 2016-10-35
Moved by Huber
Seconded by Petruilis

RESOLVED, that the motion be **AMENDED** from STOP control on Haldane Drive approaches to the intersection to ALL-WAY STOP control at the intersection of Haldane and Niles.

Yes: Huber, Petruilis, Wilsher, Ziegenfelder
No: Brandstetter
Absent: Kilmer

MOTION CARRIED

Mr. Brandstetter explained his no vote was based on unwarranted Stop signs at an intersection creating confusion for a driver than may not feel they need to stop. This may create a false sense of security for drivers or pedestrians when they expect a driver to stop. He also discussed that Stop signs may not eliminate cut through traffic.

There was general discussion of cut through traffic as well as options other than signage that might be

appropriate.

Resolution # 2016-10-36

Moved by Huber

Seconded by Petrulis

RESOLVED, that the intersection of Haldane at Niles be **MODIFIED** from no traffic control to ALL-WAY STOP control at the intersection of Haldane and Niles.

Yes: Huber, Wilsher, Ziegenfelder

No: Brandstetter, Petrulis

Absent: Kilmer

MOTION CARRIED

6. Public Comment

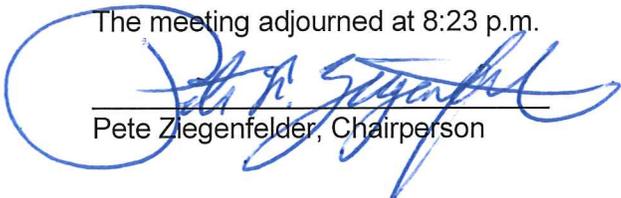
There was no additional public comment made.

7. Other Business

There was no other business to address.

8. Adjourn

The meeting adjourned at 8:23 p.m.



Pete Ziegenfelder, Chairperson



Bill Huotari, Deputy City Engineer/Traffic Engineer

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On October 18, 2016, at 7:30 p.m., in the Council Chambers of Troy City Hall, Chairman Clark called the Zoning Board of Appeals meeting to order.

1. ROLL CALL

Present:

Daniel Agauas
Glenn Clark
Thomas Desmond
David Eisenbacher
Orestis Kaltsounis
David Lambert
Philip Sanzica

Also Present:

Paul Evans, Zoning and Compliance Specialist
Allan Motzny, Assistant City Attorney

2. APPROVAL OF MINUTES – September 20, 2016

Moved by Lambert
Seconded by Eisenbacher

RESOLVED, to approve the September 20, 2016 meeting minutes.

Yes: All

MOTION PASSED

3. APPROVAL OF AGENDA

No changes.

4. HEARING OF CASES

- A. VARIANCE REQUEST, KEITH N. LEE, 2116 BRINSTON – A variance to allow an addition to a nonconforming pool deck. The addition has already been constructed. The pool is nonconforming because it is located in a front yard.

Moved by Eisenbacher
Seconded by Desmond

RESOLVED, to grant the variance subject to performing aesthetic improvements to the entire pool as offered by the applicant.

Yes: Desmond, Eisenbacher, Kaltsounis, Sanzica, Clark
No: Lambert, Agauas

MOTION PASSED

- B. VARIANCE REQUEST, ERIC BRAKKE FOR MICHIGAN SUNROOMS, 5330 STANDISH – In order to construct an addition to the rear of the house, a 6.5 foot variance to the required 40 foot rear yard setback.

Moved by Lambert
Seconded by Sanzica

RESOLVED, to move the item to the end of “Hearing of Cases” because no one was present to represent the application.

Yes: All

MOTION PASSED

(Refer to page 3 for further action on Agenda item B)

- C. VARIANCE REQUEST, GRANT DRYOVAGE FOR ATEX BUILDERS LLC, 633 BURTMAN – In order to rebuild a detached, nonconforming garage, a 4 foot variance from the required 6 foot side yard setback. The existing garage is nonconforming because it is set back less than 6 feet from the property line.

Moved by Eisenbacher
Seconded by Desmond

RESOLVED, to grant the variance.

Yes: All

MOTION PASSED

- D. VARIANCE REQUEST, DANIEL AND KIMBERLY ECKL, 5905 ENDICOTT – In order to build a roof over an existing uncovered front porch, a 5.5 foot variance to the required 30 foot front yard setback.

Moved by Lambert
Seconded by Desmond

RESOLVED, to grant the variance.

Yes: All

MOTION PASSED

- E. VARIANCE REQUEST, GARY ABITHEIRA, 1605 E LONG LAKE – In order to build two new houses, the property will be split and variances are requested for each of the proposed houses as follows: 1) for the proposed southerly parcel, a 3 foot variance from the required 30 foot front yard setback adjacent to Allison Drive; and 2) for the proposed northerly parcel, a 10 foot variance from the required 30 foot front yard setback adjacent to Allison Drive.

Moved by Lambert
Seconded by Sanzica

RESOLVED, to grant the variance.

Yes: All

MOTION PASSED

- B. VARIANCE REQUEST, ERIC BRAKKE FOR MICHIGAN SUNROOMS, 5330 STANDISH – In order to construct an addition to the rear of the house, a 6.5 foot variance to the required 40 foot rear yard setback.

Moved by Lambert
Seconded by Agauas

RESOLVED, to postpone the request to the November 15, 2016 Zoning Board of Appeals meeting.

Yes: All

MOTION PASSED

- 5. COMMUNICATIONS – None
- 6. MISCELLANEOUS BUSINESS – None
- 7. PUBLIC COMMENT – None
- 8. ADJOURNMENT – The Zoning Board of Appeals meeting ADJOURNED at 8:45 p.m.

Respectfully submitted,



Glenn Clark, Chairman



Paul Evans, Zoning and Compliance Specialist

Traffic Committee Minutes – October 19, 2016**FINAL**

A regular meeting of the Troy Traffic Committee was held Wednesday, October 19, 2016 in the Lower Level Conference Room at Troy City Hall. Pete Ziegenfelder called the meeting to order at 7:30 p.m.

1. Roll Call

Present: Tim Brandstetter
Mitch Huber
Al Petruilis
Cynthia Wilsher
Pete Ziegenfelder

Absent: Richard Kilmer

Also present: Terry Stuart, 6303 Tutbury
Justin Brox, 5844 Niles
Gordon Armstrong, 95 W. Square Lake
Lt. Eric Caloia, Fire Department
Sgt. Mike Szuminski, Police Department
Bill Huotari, Deputy City Engineer/Traffic Engineer

2. Minutes – October 19, 2016

Resolution # 2016-10-31
Moved by Petruilis
Seconded by Wilsher

To approve the September 21, 2016 minutes as printed.

Yes: Brandstetter, Huber, Petruilis, Wilsher, Ziegenfelder
No: None
Absent: Kilmer

MOTION CARRIED**REGULAR BUSINESS****3. Request for Traffic Control – Welling at Calvert**

At the September 21, 2016 Traffic Committee meeting, Mr. Bob Brokenshire of 1596 Welling requested that the intersection of Welling at Calvert be reviewed. There are existing Yield signs on the Welling Drive approaches to Calvert. He felt that the existing Yield signs did not provide the proper traffic control at the intersection. Mr. Brokenshire stated that traffic does not yield the right-of-way, travels through the intersection at a high rate of speed, is unsafe for drivers and pedestrians and creates a hazardous condition.

No residents were in attendance at the meeting to discuss the request.

Traffic Engineering did receive one (1) phone call in opposition to any changes at the intersection.

Mr. Brandstetter discussed the need for any changes at the intersection. The Yield signs appear to be appropriate for the intersection based on the study by OHM.

Mr. Petruilis discussed the only resident input received was in opposition to the request.

Resolution # 2016-10-32
Moved by Brandstetter
Seconded by Petruilis

RESOLVED, that NO CHANGE be made at the intersection of Welling at Calvert.

Yes: Brandstetter, Huber, Petruilis, Wilsher, Ziegenfelder
No: None
Absent: Kilmer

MOTION CARRIED

4. Request for Traffic Control – Tutbury at Bretby

Mr. Terry Stuart of 6303 Tutbury states that the lack of existing traffic control at the intersection of Tutbury at Bretby creates a hazardous condition. Traffic does not yield the right-of-way and travels through the intersection at a high rate of speed and is unsafe for drivers and pedestrians. Increased traffic due to the I-75 construction has further exacerbated the issue with higher volumes of traffic during the peak hours

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Mr. Petruilis stated that this is an odd intersection when you approach it and believes it requires some type of traffic control. A Yield sign may be sufficient.

Ms. Wilsher would rather see a Stop sign. When you can’t see traffic at an intersection you should approach the intersection with caution.

Mr. Brandstetter asked the residents if Tutbury was the appropriate street for Yield signs [they responded in the affirmative].

Mr. Petruilis recommended that the trees in the right-of-way be trimmed.

Mr. Brandstetter added that even if the trees were trimmed there would still be the need for Yield signs at the intersection.

Resolution # 2016-10-33
Moved by Petruilis
Seconded by Huber

RESOLVED, that the intersection of Tutbury at Bretby be **MODIFIED** from no traffic control to YIELD control on the Tutbury Lane approaches to the intersection.

Yes: Brandstetter, Huber, Petruilis, Wilsher, Ziegenfelder
No: None
Absent: Kilmer

MOTION CARRIED

5. Request for Traffic Control – Haldane at Niles

Mr. Gordon Armstrong of 95 W. Square Lake Road contacted the City's Building Official regarding the lack of traffic control signs at the intersection of Haldane and Niles. The resident stated that traffic does not yield the right-of-way and creates a hazardous condition at the intersection.

Mr. Armstrong was in attendance at the meeting to discuss this request. He reports that there are 16 buildings on Niles and 30 houses, with 54 vehicles that he counted. He has never seen a problem with residents on Niles or Haldane, but attributes the issue to cut through traffic from Livernois to Square Lake or vice versa. Drivers take the intersection at high rates of speed and create an unsafe situation as they travel into the opposing lane of traffic during their turn. Mr. Armstrong reports that there are many children in this area and in the interest of safety he believes Stop signs are appropriate at the intersection.

Mr. Justin Brox of 5844 Niles was in attendance and supported what Mr. Armstrong stated. Mr. Brox added that Livernois at Square Lake gets very congested and drivers cut through on Haldane and Niles to avoid the backup at the traffic signal. He stated that this will always be a "high child neighborhood" due to the school near Niles and Square Lake.

Ms. Wilsher added that there is a lot of vegetation at the intersection that obstructs a driver's vision. She added that you must stop before proceeding.

Mr. Petrulis discussed that the primary cut through was from northbound Livernois to westbound Square Lake to avoid the left turn backup at the Square Lake and Livernois intersection.

Resolution # 2016-10-34
Moved by Huber
Seconded by Wilsher

RESOLVED, that the intersection of Haldane at Niles be **MODIFIED** from no traffic control to STOP control on the Haldane Drive approaches to the intersection.

This motion was amended by Mr. Huber and supported by Mr. Petrulis.

Resolution # 2016-10-35
Moved by Huber
Seconded by Petrulis

RESOLVED, that the motion be **AMENDED** from STOP control on Haldane Drive approaches to the intersection to ALL-WAY STOP control at the intersection of Haldane and Niles.

Yes: Huber, Petrulis, Wilsher, Ziegenfelder
No: Brandstetter
Absent: Kilmer

MOTION CARRIED

Mr. Brandstetter explained his no vote was based on unwarranted Stop signs at an intersection creating confusion for a driver than may not feel they need to stop. This may create a false sense of security for drivers or pedestrians when they expect a driver to stop. He also discussed that Stop signs may not eliminate cut through traffic.

There was general discussion of cut through traffic as well as options other than signage that might be

appropriate.

Resolution # 2016-10-36

Moved by Huber

Seconded by Petrulis

RESOLVED, that the intersection of Haldane at Niles be **MODIFIED** from no traffic control to ALL-WAY STOP control at the intersection of Haldane and Niles.

Yes: Huber, Wilsher, Ziegenfelder

No: Brandstetter, Petrulis

Absent: Kilmer

MOTION CARRIED

6. Public Comment

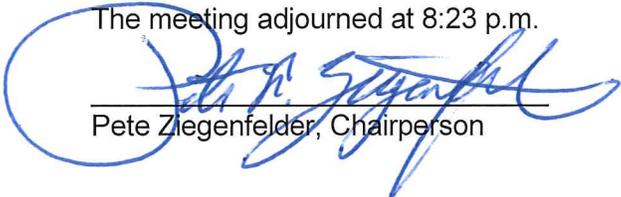
There was no additional public comment made.

7. Other Business

There was no other business to address.

8. Adjourn

The meeting adjourned at 8:23 p.m.



Pete Ziegenfelder, Chairperson



Bill Huotari, Deputy City Engineer/Traffic Engineer

Chair Edmunds called the Regular meeting of the Troy City Planning Commission to order at 7:00 p.m. on November 1, 2016 in the Council Chamber of the Troy City Hall.

1. ROLL CALL

Present:

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

Absent:

Michael W. Hutson

Also Present:

R. Brent Savidant, Planning Director
Ben Carlisle, Carlisle Wortman Associates
Julie Quinlan Dufrane, Assistant City Attorney
Claire Hao, Student Representative
Kathy L. Czarnecki, Recording Secretary

2. APPROVAL OF AGENDA

Resolution # PC-2016-11-066

Moved by: Sanzica
Support by: Tagle

RESOLVED, To approve the Agenda as prepared.

Yes: All present (8)
Absent: Hutson

MOTION CARRIED

3. APPROVAL OF MINUTES

Resolution # PC-2016-11-067

Moved by: Kuppa
Support by: Crusse

RESOLVED, To approve the minutes of the October 11, 2016 Regular meeting as submitted.

Yes: All present (8)
Absent: Hutson

MOTION CARRIED

4. PUBLIC COMMENT – Items not on the Agenda

There was no one present who wished to speak.

5. ZONING BOARD OF APPEALS (ZBA) REPORT

Mr. Sanzica gave a report on the October 18, 2016 Zoning Board of Appeals meeting.

6. DOWNTOWN DEVELOPMENT AUTHORITY (DDA) REPORT

Mr. Savidant gave a report on the October 25, 2016 Joint City Council and Downtown Development Authority meeting.

7. PLANNING AND ZONING REPORT

Mr. Savidant reminded the Board of the November meeting dates; November 17 and November 29.

CONDITIONAL REZONING

8. PUBLIC HEARING - CONDITIONAL REZONING APPLICATION (File Number CR JPCR2016-003) – Proposed McClure Road Apartments, North of Big Beaver, West of Crooks, East side of McClure (3142, 3114, 3086 McClure), Section 20, From R-1B (One Family Residential) District to BB (Big Beaver) District

Mr. Carlisle gave a review of the Conditional Rezoning application. He addressed the application as relates to the Master Plan, Big Beaver Corridor Study and conditional rezoning standards. Mr. Carlisle also addressed outstanding site plan issues. He stated it is premature to offer a recommendation.

Present were the applicant Sam Stafa; Peter Stuhlreyer, Designhaus Architecture; Dennis Cowan, Plunkett Cooney; and Michael Darga, Giffels-Webster.

Mr. Stuhlreyer clarified the applicant will not be seeking any variances other than a parking variance. Mr. Stuhlreyer displayed a PowerPoint presentation to address how the proposed development relates to the Master Plan and the requested zoning district. The presentation also addressed line sight, shadowing effect and a comparison of the proposed apartment building to Regents Park.

Mr. Cowan briefly addressed how the proposed development relates to the Master Plan and Big Beaver Corridor Study, the traffic study and parking.

Mr. Darga addressed the traffic study as relates to mass transit and walkable communities.

Chair Edmunds announced the protocol for the public hearing.

PUBLIC HEARING OPENED

Andrea Hernandez, 3183 McClure; in opposition
Marianna Perakis, 3393 Alpine; in opposition
Jeanne Stine, 1915 Boulan; in opposition
Vijay Patel, 3353 Alpine; in opposition
Avtar Chhina, 1940 Muer; in opposition
John Sharp, 3362 Muer Knoll; in opposition
Peter Perakis, 3393 Alpine; in opposition
Earl Roberts, 3243 Kilmer; in opposition
Satish Yalamanchili, 1556 Banmoor; in opposition (*not signed in*)
Benjamin Michajlyszyn, 1660 Boulan; in opposition
Darrell Fisher, 3109 Alpine; in support
Carolyn Winn (Nguyen), 2056 Sachin Way; in opposition
Tom Burke, 1879 Knoll; in opposition
Prakash Samy, 1466 Muer; in opposition
Sazan Kapllani, 1881 Boulan; in support
Lynda Shaker, 6790 Coolidge; in opposition
Azam Makki, 1915 Muer; in opposition
Andi Carag, 50 Glenshire; in support
Gezim Gjoni, 1555 Muer; in support
Xingping Chen, 3481 McClure; in opposition
Christopher Zachary, 1650 Muer; in support (*not signed in*)
Melinda Razzano, 1710 Banmoor; in opposition
Ananth Nagabhushana, 1992 Sachin Way; in opposition
Barbara Dawson, 1834 Boulan; in opposition
Devin McPherson, 3396 Alpine; in opposition
Keith Parke, 1540 Boulan; in opposition
Basma Amer, 1960 Sachin Way; in opposition
Katherine Bourdeau, 3162 McClure; in opposition
Andrew “Rocky” Raczkowski, 3204 McClure; in opposition
Sandeep Sovani, 3205 McClure; in opposition
Linda White, 1505 Boulan; in opposition
Ravi Gandra, 1961 Sachin Way; in opposition
Chuck Walker, 3381 McClure; in opposition (*not signed in*)

PUBLIC HEARING CLOSED

There was discussion on:

- Transitional features; height and mass.
- Conditional Rezoning standards.
- Application as relates Zoning Ordinance and Master Plan.
- Housing options; discussion among Planning Commission members.

- Traffic study; review by City traffic engineer and traffic consultant.
- Parking deficiency; mitigation options, parking agreement(s) with adjacent property.
- Traffic mitigation; signage, speed bumps.
- Special assessment initiative for public sidewalks.
- Neighborhood meeting with applicant.

Resolution # PC-2016-11-068

Moved by: Faison

Seconded by: Tagle

RESOLVED, That the Conditional Rezoning Request from R-1B (One Family Residential) district to BB (Big Beaver) district, which incorporates Preliminary Site Plan Approval, as per Section 16.04 of the City of Troy Zoning Ordinance, located north of Big Beaver, west of Crooks on the east side of McClure, within Section 20, being approximately 2.54 acres in size, be postponed to provide the applicant sufficient time to address issues identified in the October 25, 2016 Planning Consultant report, including noted variances, incomplete application and parking deficiency.

Yes: All present (8)

Absent: Hutson

MOTION PASSED

Chair Edmunds requested a recess at 9:25 p.m.; the meeting reconvened at 9:35 p.m.

PRELIMINARY SITE PLAN REVIEW

9. PRELIMINARY SITE PLAN REVIEW (File Number SP JPLN2016-0028) – Proposed Troy Market Place (Additions), Southwest Corner of Big Beaver and Rochester, Section 27, Currently Zoned BB (Big Beaver) District

Mr. Carlisle gave a review on the Preliminary Site Plan application. He addressed Planning Commission’s consideration of the proposed 30 foot building placement on Big Beaver and site access and circulation. Mr. Carlisle recommended approval of the application with conditions as identified in his report dated October 25, 2016 with the exception to place a physical barrier in the drive approach.

Present were Ross Gallentine, Ramco-Gershenson Inc.; Frederick A. Zantello, RLV Troy Marketplace; David Hunter, Professional Engineering Associates; and Mark Drane, Rogvov Architects.

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

Resolution # PC-2016-11-069

Moved by: Tagle

Seconded by: Krent

RESOLVED, That Preliminary Site Plan Approval, pursuant to Article 8 of the Zoning Ordinance, as requested for the proposed Troy Market Place (Additions), located on the southwest corner of Big Beaver and Rochester, Section 27, within the BB (Big Beaver) District, be granted, subject to the applicant addressing the following conditions as part of the Final Site Plan submittal:

1. Remove the spaces that are located just east and west of the proposed new trash enclosures.
2. Combine stormwater parcel along Rochester to main parcel to eliminate the status of the existing and proposed non-conforming building.
3. Submit building light fixtures.
4. Match detail on north elevation as south elevation for Outparcel C and D.
5. Provide the transparency calculation.

Yes: All present (8)

Absent: Hutson

MOTION CARRIED

OTHER BUSINESS

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

There was no one present who wished to speak.

11. **PLANNING COMMISSION COMMENT**

There were general Planning Commission comments.

The Regular meeting of the Planning Commission adjourned at 9:53 p.m.

Respectfully submitted,

Donald Edmunds, Chair

Kathy L. Czarnecki, Recording Secretary

Chair Edmunds called the Regular meeting of the Troy City Planning Commission to order at 7:00 p.m. on November 1, 2016 in the Council Chamber of the Troy City Hall.

1. ROLL CALL

Present:

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

Absent:

Michael W. Hutson

Also Present:

R. Brent Savidant, Planning Director
 Ben Carlisle, Carlisle Wortman Associates
 Julie Quinlan Dufrane, Assistant City Attorney
 Claire Hao, Student Representative
 Kathy L. Czarnecki, Recording Secretary

2. APPROVAL OF AGENDA

Resolution # PC-2016-11-066

Moved by: Sanzica
 Support by: Tagle

RESOLVED, To approve the Agenda as prepared.

Yes: All present (8)
 Absent: Hutson

MOTION CARRIED

3. APPROVAL OF MINUTES

Resolution # PC-2016-11-067

Moved by: Kuppa
 Support by: Crusse

RESOLVED, To approve the minutes of the October 11, 2016 Regular meeting as submitted.

Yes: All present (8)
 Absent: Hutson

MOTION CARRIED

4. PUBLIC COMMENT – Items not on the Agenda

There was no one present who wished to speak.

5. ZONING BOARD OF APPEALS (ZBA) REPORT

Mr. Sanzica gave a report on the October 18, 2016 Zoning Board of Appeals meeting.

6. DOWNTOWN DEVELOPMENT AUTHORITY (DDA) REPORT

Mr. Savidant gave a report on the October 25, 2016 Joint City Council and Downtown Development Authority meeting.

7. PLANNING AND ZONING REPORT

Mr. Savidant reminded the Board of the November meeting dates; November 17 and November 29.

CONDITIONAL REZONING

8. PUBLIC HEARING - CONDITIONAL REZONING APPLICATION (File Number CR JPCR2016-003) – Proposed McClure Road Apartments, North of Big Beaver, West of Crooks, East side of McClure (3142, 3114, 3086 McClure), Section 20, From R-1B (One Family Residential) District to BB (Big Beaver) District

Mr. Carlisle gave a review of the Conditional Rezoning application. He addressed the application as relates to the Master Plan, Big Beaver Corridor Study and conditional rezoning standards. Mr. Carlisle also addressed outstanding site plan issues. He stated it is premature to offer a recommendation.

Present were the applicant Sam Stafa; Peter Stuhlreyer, Designhaus Architecture; Dennis Cowan, Plunkett Cooney; and Michael Darga, Giffels-Webster.

Mr. Stuhlreyer clarified the applicant will not be seeking any variances other than a parking variance. Mr. Stuhlreyer displayed a PowerPoint presentation to address how the proposed development relates to the Master Plan and the requested zoning district. The presentation also addressed line sight, shadowing effect and a comparison of the proposed apartment building to Regents Park.

Mr. Cowan briefly addressed how the proposed development relates to the Master Plan and Big Beaver Corridor Study, the traffic study and parking.

Mr. Darga addressed the traffic study as relates to mass transit and walkable communities.

Chair Edmunds announced the protocol for the public hearing.

PUBLIC HEARING OPENED

Andrea Hernandez, 3183 McClure; in opposition
Marianna Perakis, 3393 Alpine; in opposition
Jeanne Stine, 1915 Boulan; in opposition
Vijay Patel, 3353 Alpine; in opposition
Avtar Chhina, 1940 Muer; in opposition
John Sharp, 3362 Muer Knoll; in opposition
Peter Perakis, 3393 Alpine; in opposition
Earl Roberts, 3243 Kilmer; in opposition
Satish Yalamanchili, 1556 Banmoor; in opposition (*not signed in*)
Benjamin Michajlyszyn, 1660 Boulan; in opposition
Darrell Fisher, 3109 Alpine; in support
Carolyn Winn (Nguyen), 2056 Sachin Way; in opposition
Tom Burke, 1879 Knoll; in opposition
Prakash Samy, 1466 Muer; in opposition
Sazan Kapllani, 1881 Boulan; in support
Lynda Shaker, 6790 Coolidge; in opposition
Azam Makki, 1915 Muer; in opposition
Andi Carag, 50 Glenshire; in support
Gezim Gjoni, 1555 Muer; in support
Xingping Chen, 3481 McClure; in opposition
Christopher Zachary, 1650 Muer; in support (*not signed in*)
Melinda Razzano, 1710 Banmoor; in opposition
Ananth Nagabhushana, 1992 Sachin Way; in opposition
Barbara Dawson, 1834 Boulan; in opposition
Devin McPherson, 3396 Alpine; in opposition
Keith Parke, 1540 Boulan; in opposition
Basma Amer, 1960 Sachin Way; in opposition
Katherine Bourdeau, 3162 McClure; in opposition
Andrew “Rocky” Raczkowski, 3204 McClure; in opposition
Sandeep Sovani, 3205 McClure; in opposition
Linda White, 1505 Boulan; in opposition
Ravi Gandra, 1961 Sachin Way; in opposition
Chuck Walker, 3381 McClure; in opposition (*not signed in*)

PUBLIC HEARING CLOSED

There was discussion on:

- Transitional features; height and mass.
- Conditional Rezoning standards.
- Application as relates Zoning Ordinance and Master Plan.
- Housing options; discussion among Planning Commission members.

- Traffic study; review by City traffic engineer and traffic consultant.
- Parking deficiency; mitigation options, parking agreement(s) with adjacent property.
- Traffic mitigation; signage, speed bumps.
- Special assessment initiative for public sidewalks.
- Neighborhood meeting with applicant.

Resolution # PC-2016-11-068

Moved by: Faison

Seconded by: Tagle

RESOLVED, That the Conditional Rezoning Request from R-1B (One Family Residential) district to BB (Big Beaver) district, which incorporates Preliminary Site Plan Approval, as per Section 16.04 of the City of Troy Zoning Ordinance, located north of Big Beaver, west of Crooks on the east side of McClure, within Section 20, being approximately 2.54 acres in size, be postponed to provide the applicant sufficient time to address issues identified in the October 25, 2016 Planning Consultant report, including noted variances, incomplete application and parking deficiency.

Yes: All present (8)

Absent: Hutson

MOTION PASSED

Chair Edmunds requested a recess at 9:25 p.m.; the meeting reconvened at 9:35 p.m.

PRELIMINARY SITE PLAN REVIEW

9. PRELIMINARY SITE PLAN REVIEW (File Number SP JPLN2016-0028) – Proposed Troy Market Place (Additions), Southwest Corner of Big Beaver and Rochester, Section 27, Currently Zoned BB (Big Beaver) District

Mr. Carlisle gave a review on the Preliminary Site Plan application. He addressed Planning Commission’s consideration of the proposed 30 foot building placement on Big Beaver and site access and circulation. Mr. Carlisle recommended approval of the application with conditions as identified in his report dated October 25, 2016 with the exception to place a physical barrier in the drive approach.

Present were Ross Gallentine, Ramco-Gershenson Inc.; Frederick A. Zantello, RLV Troy Marketplace; David Hunter, Professional Engineering Associates; and Mark Drane, Rogvov Architects.

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

Resolution # PC-2016-11-069

Moved by: Tagle
Seconded by: Krent

RESOLVED, That Preliminary Site Plan Approval, pursuant to Article 8 of the Zoning Ordinance, as requested for the proposed Troy Market Place (Additions), located on the southwest corner of Big Beaver and Rochester, Section 27, within the BB (Big Beaver) District, be granted, subject to the applicant addressing the following conditions as part of the Final Site Plan submittal:

1. Remove the spaces that are located just east and west of the proposed new trash enclosures.
2. Combine stormwater parcel along Rochester to main parcel to eliminate the status of the existing and proposed non-conforming building.
3. Submit building light fixtures.
4. Match detail on north elevation as south elevation for Outparcel C and D.
5. Provide the transparency calculation.

Yes: All present (8)
Absent: Hutson

MOTION CARRIED

OTHER BUSINESS

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

There was no one present who wished to speak.

11. **PLANNING COMMISSION COMMENT**

There were general Planning Commission comments.

The Regular meeting of the Planning Commission adjourned at 9:53 p.m.

Respectfully submitted,



Donald Edmunds, Chair



Kathy L. Czarnecki, Recording Secretary

On November 15, 2016, at 7:30 p.m., in the Council Chambers of Troy City Hall, Chairman Clark called the Zoning Board of Appeals meeting to order.

1. ROLL CALL

Present:

- Daniel Agauas
- Glenn Clark
- Thomas Desmond
- David Eisenbacher
- Allen Kneale
- David Lambert
- Philip Sanzica

Also Present:

- Paul Evans, Zoning and Compliance Specialist
- Allan Motzny, Assistant City Attorney

2. APPROVAL OF MINUTES – October 18, 2016

Moved by Lambert
Seconded by Eisenbacher

RESOLVED, to approve the October 18, 2016 meeting minutes as most recently presented.

Yes: All

MOTION PASSED

3. APPROVAL OF AGENDA

No changes.

4. HEARING OF CASES

A. VARIANCE REQUEST, ERIC BRAKKE FOR MICHIGAN SUNROOMS, 5330 STANDISH – In order to construct an addition to the rear of the house, a 6.5 foot variance to the required 40 foot rear yard setback.

Moved by Desmond
Seconded by Sanzica

RESOLVED, to grant the request.

Yes: All

MOTION PASSED

- B. VARIANCE REQUEST, TIMOTHY L. ROBB, 1765 VAN COURTLAND – In order to keep a shed at its current location, a 3 foot variance from the 6 foot required setback from both the side and rear property lines. The shed was constructed without first receiving a building permit.

Moved by Eisenbacher
 Seconded by Desmond

RESOLVED, to grant the variance subject to the following conditions: 1) retain existing vegetation and 2) provide rodent barrier protection, as offered by applicant tonight, no later than Spring 2017.

Yes: All

MOTION PASSED

- 5. COMMUNICATIONS – None
- 6. MISCELLANEOUS BUSINESS – Assistant City Attorney Motzny advised that at a future meeting, the City Attorney can provide the Board a legal update. He asked the Board to advise of any legal subject matters they would like to be included.
- 7. PUBLIC COMMENT – None
- 8. ADJOURNMENT – The Zoning Board of Appeals meeting ADJOURNED at 8:06 p.m.

Respectfully submitted,

Glenn Clark, Chairman

Paul Evans, Zoning and Compliance Specialist

Chair Edmunds called the Special meeting of the Troy City Planning Commission to order at 7:00 p.m. on November 17, 2016 in the Council Board Room of the Troy City Hall.

1. ROLL CALL

Present:

Ollie Apahidean
Karen Crusse
Donald Edmunds
Carlton M. Faison
Michael W. Hutson
Tom Krent
Padma Kuppa
Phillip Sanzica
John J. Tagle

Also Present:

R. Brent Savidant, Planning Director
Ben Carlisle, Carlisle Wortman Associates
Julie Quinlan Dufrane, Assistant City Attorney
Claire Hao, Student Representative
Kathy L. Czarnecki, Recording Secretary

2. APPROVAL OF AGENDA

Resolution # PC-2016-11-070

Moved by: Krent
Support by: Sanzica

RESOLVED, To delete Agenda item #5 and approve the Agenda as revised.

Yes: All present (9)

MOTION CARRIED

3. APPROVAL OF MINUTES

Resolution # PC-2016-11-071

Moved by: Kuppa
Support by: Tagle

RESOLVED, To approve the minutes of the November 1, 2016 Regular meeting as submitted.

Yes: All present (9)

MOTION CARRIED

4. PUBLIC COMMENT – Items not on the Agenda

There was no one present who wished to speak.

PRELIMINARY SITE PLAN REVIEW

5. PRELIMINARY SITE PLAN REVIEW (File Number SP JPLN2016-0030) – Proposed Home 2 Hotel, North of Big Beaver, West of Crooks, Parcel 88-20-20-476-060, Section 20, Currently Zoned BB (Big Beaver) District

Refer to Resolution #PC-2016-11-071. Applicant requested to postpone item.

CONCEPTUAL REVIEW

6. CONDITIONAL REZONING APPLICATION (File Number CR JPCR2016-004) – Proposed EZ Storage Mixed Use, 121 W Long Lake (Parcels 88-20-16-200-007, 008), Section 16, From R-1B (One Family Residential) District to NN “M” (Neighborhood Node “M”) District

Mr. Carlisle reviewed the Conditional Rezoning application noting a full site plan review was not been completed. He addressed the application as relates to the Master Plan, rezoning standards and considerations of the Planning Commission.

Present were William Bowman of Great Northern Developments and Steve Nolan of Nolan Real Estate Interests. Informational material was distributed to each member.

There was discussion on:

- Features of indoor facility.
- Architectural features; building materials.
- Height and massing of building; 3-dimensional projection.
- Stormwater management.
- Clientele base.
- Existing locations.
- Parking for retail tenant(s).
- Hours of operation.
- Traffic generation.
- Open space/park for neighborhood.
- Landscaping.

OTHER BUSINESS

7. PUBLIC COMMENT – Items on Current Agenda

There was no one present who wished to speak.

8. PLANNING COMMISSION COMMENT

There were general Planning Commission comments.

The Special meeting of the Planning Commission adjourned at 8:24 p.m.

Respectfully submitted,

Donald Edmunds, Chair

Kathy L. Czarnecki, Recording Secretary

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Chair Edmunds called the Special meeting of the Troy City Planning Commission to order at 7:00 p.m. on November 17, 2016 in the Council Board Room of the Troy City Hall.

1. ROLL CALL

Present:

- Ollie Apahidean
- Karen Crusse
- Donald Edmunds
- Carlton M. Faison
- Michael W. Hutson
- Tom Krent
- Padma Kuppa
- Philip Sanzica
- John J. Tagle

Also Present:

- R. Brent Savidant, Planning Director
- Ben Carlisle, Carlisle Wortman Associates
- Julie Quinlan Dufrane, Assistant City Attorney
- Claire Hao, Student Representative
- Kathy L. Czarnecki, Recording Secretary

2. APPROVAL OF AGENDA

Resolution # PC-2016-11-070

Moved by: Krent
 Support by: Sanzica

RESOLVED, To delete Agenda item #5 and approve the Agenda as revised.

Yes: All present (9)

MOTION CARRIED

3. APPROVAL OF MINUTES

Resolution # PC-2016-11-071

Moved by: Kuppa
 Support by: Tagle

RESOLVED, To approve the minutes of the November 1, 2016 Regular meeting as submitted.

Yes: All present (9)

MOTION CARRIED

4. PUBLIC COMMENT – Items not on the Agenda

There was no one present who wished to speak.

PRELIMINARY SITE PLAN REVIEW

5. PRELIMINARY SITE PLAN REVIEW (File Number SP JPLN2016-0030) – Proposed Home 2 Hotel, North of Big Beaver, West of Crooks, Parcel 88-20-20-476-060, Section 20, Currently Zoned BB (Big Beaver) District

Refer to Resolution #PC-2016-11-071. Applicant requested to postpone item.

CONCEPTUAL REVIEW

6. CONDITIONAL REZONING APPLICATION (File Number CR JPCR2016-004) – Proposed EZ Storage Mixed Use, 121 W Long Lake (Parcels 88-20-16-200-007, 008), Section 16, From R-1B (One Family Residential) District to NN “M” (Neighborhood Node “M”) District

Mr. Carlisle reviewed the Conditional Rezoning application noting a full site plan review was not been completed. He addressed the application as relates to the Master Plan, rezoning standards and considerations of the Planning Commission.

Present were William Bowman of Great Northern Developments and Steve Nolan of Nolan Real Estate Interests. Informational material was distributed to each member.

There was discussion on:

- Features of indoor facility.
- Architectural features; building materials.
- Height and massing of building; 3-dimensional projection.
- Stormwater management.
- Clientele base.
- Existing locations.
- Parking for retail tenant(s).
- Hours of operation.
- Traffic generation.
- Open space/park for neighborhood.
- Landscaping.

OTHER BUSINESS

7. PUBLIC COMMENT – Items on Current Agenda

There was no one present who wished to speak.

8. PLANNING COMMISSION COMMENT

There were general Planning Commission comments.

The Special meeting of the Planning Commission adjourned at 8:24 p.m.

Respectfully submitted,



Donald Edmunds, Chair



Kathy L. Czarnecki, Recording Secretary

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CITY COUNCIL AGENDA ITEM

Date: December 1, 2016

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic and Community Development
Paul Featherston, Building Official, SAFEbuilt
Mitch Grusnick, City Building Official

Subject: Building Department Activity Report – November, 2016

The following attachment contains a summary of permit activity and project valuation for the Building Inspection Department comparing November 2015 to November 2016. Valuations have slightly decreased to below the levels from last year.

A total of 9,348 building, plumbing, electrical and mechanical related permits have been issued for the year so far compared to 8,847 during the same time frame in 2015.

Year to date project valuations throughout November 2016 are at \$139,853,049. In comparison, building related permits had a valuation of \$165,701,639 during the same period in 2015.

Our inspectors performed 1,668 trade inspections for the month of November 2016 compared to 1,749 for the month of November 2015. Inspections counts have stayed high for this time of year.

Attachments:

1. Building Department Activity Report

Preparer of memo\File name\File location

BUILDING PERMITS ISSUED

	BUILDING PERMITS 2015	PERMIT VALUATION 2015	BUILDING PERMIT REVENUE 2015	BUILDING PERMITS 2016	PERMIT VALUATION 2016	BUILDING PERMIT REVENUE 2016
JANUARY	172	\$ 13,789,620.00	\$ 352,653.99	106	\$ 8,881,040.00	\$ 186,385.60
FEBRUARY	85	\$ 5,271,646.00	\$ 155,426.00	118	\$ 8,387,600.00	\$ 236,060.17
MARCH	137	\$ 20,334,618.00	\$ 360,947.75	194	\$ 17,197,346.00	\$ 385,950.19
APRIL	228	\$ 24,744,935.00	\$ 417,945.02	184	\$ 7,949,322.00	\$ 228,388.62
MAY	230	\$ 22,193,390.00	\$ 375,491.94	304	\$ 10,216,794.00	\$ 274,789.01
JUNE	242	\$ 12,569,406.00	\$ 327,069.54	346	\$ 26,455,559.00	\$ 515,074.56
JULY	240	\$ 11,927,112.00	\$ 262,669.77	271	\$ 9,922,722.00	\$ 299,428.08
AUGUST	260	\$ 12,910,521.00	\$ 286,684.15	402	\$ 18,344,189.00	\$ 379,036.78
SEPTEMBER	288	\$ 11,397,103.00	\$ 305,132.56	250	\$ 13,723,938.00	\$ 265,868.15
OCTOBER	282	\$ 20,800,709.00	\$ 403,200.00	295	\$ 10,170,903.00	\$ 279,260.98
NOVEMBER	167	\$ 9,762,579.00	\$ 240,439.78	189	\$ 8,603,636.00	\$ 266,924.98
DECEMBER	135	\$ 8,275,432.00	\$ 237,544.70	0	-	-
TOTAL	2466	\$173,977,071.00	\$3,725,205.20	2659	\$139,853,049.00	\$3,317,167.12



CITY COUNCIL AGENDA ITEM

Date: November 30, 2016

To: Brian Kischnick, City Manager

From: Kurt Bovensiepe, Public Works Director
Paul Trosper, Water and Sewer Operations Manager

Subject: Great Lakes Water Authority- 84" Water Main Break Update

Great Lakes Water Authority (GLWA) contracted the repair of the 84" water main to Ric Man construction of Sterling Heights, MI. The repair process required the replacement of three (3) sections of water main. Due to the fact that water main of this large size are not kept in stock by GLWA, the replacement sections had to be shipped from outside of Michigan. Ric Man construction worked around the clock removing the damaged sections in preparation for the installation of the new water main sections. The cause of the water main failure has not been clearly determined. Since the cause is not obvious, there was no way for GLWA to predict or prevent a failure of this type.

The 84" water main remained out of service during the entire repair process and caused the City of Troy to look at temporary solutions. During the repair, the Water & Sewer Division, with the cooperation of GLWA opened an existing but not normally utilized water feed located at the intersection of South Boulevard and Beach Road. This connection draws water from the same 54" GLWA water main that supplies the east side of the City of Troy, which was not permanently impacted by the large main break. The temporary water connection used during the event required continuous monitoring since it was not protected against unpredicted pressure increases. To assist with protecting the city's water infrastructure against any city owned water main breaks from increases in pressure, a device was installed on a precisely calculated fire hydrant location. This device opened and relieved pressure from the system when pressures threatened the city's system. During the initial pressure loss causing the Boil Water Advisory, air was able to enter the water system and affected a few areas. While this air-entrained water is not harmful, it did raise some concerns. Persistent flushing in the impacted areas remedied most of the concern but it would not be uncommon for some residents to experience some air for the next several weeks.

The temporary connection used at Beach Road and South Boulevard was installed by GLWA over 20 years ago. While this connection has been used only twice now in the last 20 years, in the situation that just occurred, it was the difference between the City of Troy having the ability to sustain water pressure throughout the entire city and a larger crisis.

From what was learned throughout this situation, we now know far more as to what works and what does not; it has shown us that having the ability to draw water from alternate feeds is crucial when one feed is compromised. A feasibility study on creating a more permanent and updated connection at Beach Road will be considered in the near future.



CITY COUNCIL AGENDA ITEM

During the Boil Water Advisory, the Police and Fire Departments distributed bottled water to affected residents at Firefighters Park. The city received several comments during the process that proved residents appreciated these efforts. The remaining inventory will be stored for any future situations requiring this type of distribution.

The Water & Sewer Division received notice on November 28, 2016 that the 84" water main repair was complete, good water sample results had been produced, and pressure in the main was back to normal. The Water & Sewer Division, working with GLWA, closed the temporary water connection and re-established the normal 84" water main on November 30, 2016. Once this process was completed, the City of Troy water system was operating under normal conditions.

City of Troy,
Michigan



Year Ended
June 30, 2016

Comprehensive
Annual Financial
Report

City Council

Mayor
Mayor Pro Tem
Council Members

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

Prepared by:
The Department of Financial Services
City of Troy, Michigan

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CITY OF TROY, MICHIGAN

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CITY OF TROY, MICHIGAN

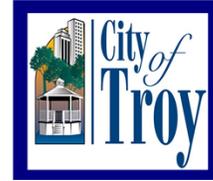
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INTRODUCTORY SECTION

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November 30, 2016

Dear Honorable Mayor and City Council Members:

The *Comprehensive Annual Financial Report* (CAFR) for the City of Troy, Michigan for the year ended June 30, 2016 is hereby submitted. The report represents a comprehensive and detailed picture of our financial transactions during fiscal year 2015/16 and the financial condition of the various funds as of fiscal year end. This report was prepared by a team comprised of executive members, financial staff and department leaders of the City. Troy's staff is responsible for the accuracy of data and completeness and fairness of the presentation, including all disclosures.

A *Management's Discussion and Analysis Report* (MD&A), as well as entity-wide, full accrual financial statements have been added to the front of the financial statement section. The fund statements have been altered to provide reporting under the "Major/Nonmajor Fund" concept. Reconciliation between the two presentations is included and the note disclosures have been expanded to provide appropriate information on both the entity-wide and fund financial statements.

The information presented is accurate in all material respects. Financial data presented is designed to provide the reader with information to assist in determining both the long-term fiscal health of the City of Troy and the City of Troy's ability to meet obligations on a short-term basis.

As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the City of Troy and related component units. The individual component units are included in the City of Troy's reporting entity because of the significance of their operational or financial relationships with the City of Troy.

The financial reporting entity includes all of the primary government (the City of Troy as legally defined). The criteria used in determining the reporting entity are consistent with current GAAP guidelines. Based on these criteria, the various funds of the City are shown in the table of contents and are included in this report. We have addressed all component units.

The City of Troy was incorporated in 1955 and has always operated under the Council-Manager form of government. The Mayor and six members of the City Council are elected to staggered four-year terms.

The City Manager is appointed by a majority vote of the City Council and is responsible for all administrative functions. The City provides a full range of municipal services, including police, fire, water distribution, wastewater collection, street maintenance, public improvements, planning, zoning, recreation and general administration.

ECONOMIC CONDITION AND OUTLOOK

The economic condition of the City of Troy continues to show steady improvement. The unemployment rate has decreased from the prior year and is well below the metro area, state and national average.

	<u>June 2016</u>
Troy	3.5%
Oakland County	4.2%
Metro Area*	5.1%
Michigan	4.5%
National	4.8%

*The Metro Area includes Southeast Michigan Council of Governments (SEMCOG)

The City reached the low point in taxable value in the 2013 fiscal year at \$4.219 billion after Michigan Tax Tribunal and Board of Review adjustments. Since then, the City has experienced modest annual growth in taxable value averaging 1.5%. The City experienced growth in net taxable value for fiscal 2016 at 3.0% and was comprised of growth in residential properties of 3.8%, and for the first time in several years growth in both commercial properties (1.5%) and industrial properties (1.3%). For Michigan cities, Troy ranked fourth for the largest taxable values in the state. However, in this era of competition for business retention and attraction, we need to advance a preferred future in which residents and businesses continue to aspire to locate here.

The City adopts a three year budget that is nationally recognized. Our approach to funding major capital projects is to accumulate funds over a number of years to avoid the issuance of debt. The City has adopted a policy to maintain our Unassigned Fund Balance of the General Fund at a minimum 20% to 30% of General Fund Expenditures. Actual results outside these parameters requires a financial plan proposed by the city manager.

Other significant economic events occurring during the fiscal year include the following major initiatives, which more often than not span several years:

DSM Engineering Plastics

DSM Engineering Plastics, a subsidiary of Netherlands-based Royal DSM, will be expanding its headquarters facility at 203 W. Big Beaver Road (formerly Bally's) to add an engineering and applications development center. The project will generate a \$2.4 million capital investment and add 33 employees to the 48 that currently work at the location.

Horizon Global

Horizon Global is a designer, manufacturer and distributor of a wide variety of high-quality, custom engineered towing, trailering, cargo management and other related accessory products on a global basis, serving the automotive aftermarket, retail and OE channels. The company's headquarters is now located at 2600 W. Big Beaver Road, Suite 150. The Troy office employs about 30 people.

Karma Automotive

Formerly known as Fisker Automotive, Wanxiang-owned Karma Automotive has established an engineering and sales office at 1875 Research Drive. The \$3.6 million investment will create approximately 150 new jobs. The Michigan Economic Development Corporation is providing a \$450 thousand Business Development Program performance based incentive to the project. The City of Troy worked closely with the MEDC and Oakland County to bring the project to Troy.

Mackevision

Mackevision is a global market leader in Computer Generated Imagery (CGI). The company designs and produces high-end 3D visualizations, animations and visual effects (VFX) for images, films and interactive applications. Based in Germany, Macevision's new Troy technical center is located at 1965 Research Drive. The company expects to employ about 160 people locally.

Midland Credit Management

Midland Credit Management, a company specializing in debt recovery solutions, leased 62,318 square feet in the office building at 320 E. Big Beaver Road. The company will occupy the third and fourth floors and employ approximately 300 people.

Roechling Automotive

German-based Roechling Automotive is a leading global provider of aerodynamics, acoustics and fluid management solutions. Roechling recently opened its new 22,500 square foot regional headquarters facility at 2370 Meijer Drive. The company employs approximately 50 people at the location.

Sapa Technology

Sapa Technology, a developer of aluminum products, opened a 10,000 square foot research and development facility at 1200 Kirts Boulevard.

Sapa has invested more than \$3 million in new equipment at the lab and plans to add new equipment at the Troy location over the next two years. Sapa's automotive customers include Ford Motor Co., General Motors Co., BMW, Jaguar, Land Rover, and Tesla. The company has 23,500 employees working in 40 countries.

SRG Global

SRG Global, a Guardian company, is one of the world's leading manufacturers of high value coatings on plastic for the automotive, commercial truck and consumer goods industries. The new world headquarters facility, located at 800 Stephenson Highway, encompasses more than 51,000 square feet and will house the company's support staff for the global and North American businesses. The building will be home to more than 250 employees.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: 1) The cost of a control should not exceed the benefits likely to be derived; and 2) The valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of Federal, State, and local financial assistance, the City is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by management and the independent auditors of the City.

As a part of the single audit process, the auditors considered the internal control structure to develop audit procedures over compliance that would have a direct and material effect on each major federal program and compliance with the Uniform Guidance, but not to issue an opinion on the effectiveness of internal controls over compliance.

Budgeting Controls

The object of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council.

Activities of the General and Special Revenue Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) are established at the functional level for the General Fund and fund level for special revenue funds.

General Government Functions

Generally accepted accounting standards require that management provide a narrative introduction, overview and analysis to accompany these basic financial statements in the form of the MD&A.

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Troy's MD&A can be found immediately following the report of the independent auditors. Since the MD&A focuses on the government-wide financial statements, the balance of this letter will be directed at the fund or activity level.

The General Fund receives all City of Troy revenues not designated for special uses by statutes or the City Charter and accounts for most of the services provided to residents. Overall General Fund revenues of \$52.7 million had a modest increase of \$994 thousand or 1.9% compared to the prior year. Property taxes, the General Fund's largest revenue source, increased \$641 thousand or 2.1%. Taxable values of \$4.4 billion increased \$128 million or 2.9%. This was the 1st year since 2010 that commercial and industrial taxable values have increased from the prior year.

State sources totaled \$6.7 million and was flat compared to the prior year. State shared revenue is a major source of revenue, which is a return to local governments of a portion of state sales tax and is not restricted to use.

Charges for services totaled \$9.3 million had an increase of \$486 thousand or 5.5%. Major sources include Community Center passes \$1.6 million, engineering fees charged to capital projects of \$2.9 million, and Cable TV franchise fees of \$1.4 million.

Total General Fund operating expenditures of \$51.0 million decreased \$2.3 million or 4.3%. The decrease was primarily in the area of an additional \$2.0 million contribution to fund the Volunteer Firefighter Incentive Program (VFIP) in the prior year.

Other financing sources of \$3.7 million decreased \$188 thousand primarily from major and local street special revenue funds that reimburse the general fund for street maintenance. Transfers out of \$7.4 million increased \$2.1 million primarily to the capital projects fund to finance the city's continued major and local road construction program (\$6.2 million), contribution towards the rebuilding of firestation #4 (\$625 thousand) and the purchase of firetruck pumper #4 (\$585 thousand).

General Fund Balance

Fund balance of the General Fund decreased by \$2.0 million to a balance of \$32.6 million. Of this amount, \$5.7 million is nonspendable for such items as inventory, prepaid items and advances to other funds; \$1.6 million is restricted for budget stabilization, and \$5.3 million has been assigned for insurance claims, tax appeals and the subsequent years budgeted use of fund balance. The \$20.1 million remaining unassigned amount represents 39.4% of General Fund expenditures. This amount exceeds the city's 20% to 30% target range but has been addressed in the city's subsequent three year budget.

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Special Revenue Funds of the City include:

Major Street Fund - Gas and weight tax revenues received in this fund from the State of Michigan are used for repairs, maintenance, snow and ice removal, and construction of all streets classified as "major" within the city.

Local Street Fund - Gas and weight taxes as well as a transfer of funds from the Major Street Fund to finance the repairs, maintenance, snow and ice removal, and construction of all streets classified as "local" within the city.

Refuse Fund - This fund has been established to account for property tax revenues restricted for rubbish and garbage collection and service charges for recycling.

Transit Center Fund - This fund has been established to track costs of Transit Center operations that are reimbursable by the city's contract with Amtrak and other sponsorship revenues.

Drug Forfeiture Fund - This fund has been established to account for resources provided from court ordered forfeitures in which City police officers participate in local, state and federal drug enforcement operations and which such resources can only be appropriated for approved drug enforcement expenditures.

Library Fund - This fund accounts for a special millage designed to fund operations and materials of the local city library.

Community Development Block Grant - This fund accounts for grant revenues from the Department of Housing and Urban Development to be used for residential and other capital improvements. Major activities in this fund include minor home chore program for seniors and infrastructure improvements.

Enterprise Operations

The City operates five separate enterprise operations: Water Fund, Sanitary Sewer Fund, Aquatic Center Fund, Sylvan Glen and Sanctuary Lake Golf Course Funds.

Water Fund - Operating revenues of \$17.5 million are up \$2.8 million or (19.4%) compared to the prior fiscal year. This is directly due to the combined increase in sale volumes from 445 thousand mcf (thousand cubic feet) to 460 thousand mcf and rate change from \$31.00 to \$34.40 per mcf. The increase in volume is attributable to drier conditions in summer and fall of 2015 compared to 2014. However, in recent years there has been a general trend in less water consumption annually. Accordingly, water operating expenses of \$18.5 million increased \$2.8 million due to the increased volume purchased from the Great Lakes Water Authority (GLWA), the city's provider of wholesale pottable water. The net effect was a reduction in net position of \$.2 million for the fiscal year. The economy and weather conditions can have a significant effect on water consumption.

Sanitary Sewer Fund - Generated \$12.7 million in operating revenues as compared to \$11.9 million in the prior year (an increase of \$803 thousand or 6.7%). This increase was due to the increase in volume sales as noted in the Water Fund section above. Operating expenses of \$12.6 million decreased \$208 thousand or 1.6%. Fees for treatment services are 100% fixed and determined by the Oakland County Water Resource Commission (OCWRC). The decrease in operating expense is attributable to a decrease in sewage surcharge fees that are assessed to companies that discharge by-products into the system during the their production cycles. The net effect was an increase in operating income of \$108 thousand. Net position after non-operating revenues and developer contributions increased \$788 thousand. Rates are reviewed annually during budget time to ensure proper funding for operations and maintenance and improvements to the system.

Aquatic Center - Operating revenues of \$729 thousand increased \$297 thousand or 69.0% from the prior year. This was primarily in the area of daily passes and membership fees which typically sell in the late spring season. Warmer spring temperatures are believed to have a direct affect on membership sale volumes. Operating expenses increased by \$117 thousand to \$699 thousand. Significant increases included electric (increased \$8 thousand), and food cost increase of \$33 thousand for increased concession slaes and \$28 thousand for additional operating supplies. Accordingly, the Center recognized operating income of \$30 thousand for the 2016 fiscal year.

Sylvan Glen Golf Course Fund - Operating revenues of \$1.3 million increased by \$162 thousand or 14.4% compared to the prior fiscal year. This increase is attributable to additional rounds of play from 42,887 to 49,988 due to favorable weather in the summer of 2015 and an early spring for 2016. Operating expenses of \$1.1 million increased \$15 thousand or 1.3% compared to the prior year. The Course experienced operating income of \$151 thousand and an increase in net position of \$160 thousand for the fiscal year.

Sanctuary Lake Golf Course Fund - Operating revenues of \$1.8 million increased by \$434 thousand or 31.6% compared to the prior fiscal year. This increase is attributable to additional rounds of play from 31,840 to 43,416 due to favorable weather in the summer of 2015 and early spring for 2016. Operating expenses of \$1.6 million increased \$176 thousand compared to the prior fiscal year. The course had operating income of \$198 thousand before the cost of interest on debt of \$290 thousand. As a result, the golf course had a decrease in net position of \$87 thousand. Steps continue to generate income and cash flow to cover debt costs, including the contracting of Billy Casper Golf to manage and operate both golf courses.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the government, on a cost reimbursement basis.

Compensated Absences Fund - This fund accounts for the charges to other departments based on sick and vacation accruals. The expenses of accumulated sick pay and vacation pay are then recorded in this fund.

Unemployment Compensation Fund - This fund accounts for the charges to other departments and the expenses to provide unemployment compensation insurance.

Custodial Services Fund - This fund charges other departments on a square footage basis to account for the custodial services and maintenance provided to all City-owned buildings.

Information Technology Fund - This fund accounts for charges to other departments based on the number of workstations to cover the expenses for providing computer services, including support, training and replacement.

Motor Equipment Fund - Rental charges of City-owned equipment to other City departments are accounted for in this fund. The fund provides maintenance, insurance and replacement of all City-owned vehicles.

Workers' Compensation Fund - Departments are charged a percentage of payroll based on premiums established by our provider to account for pooled insurance expenses.

Fiduciary Funds

Fiduciary Funds are established to account for assets held by the governmental unit in a trustee capacity or as an agent for individuals, private organizations, and other governmental units and/or funds.

Pension Trust - Employees' Retirement Fund - This fund is used to account for the accumulation of resources for pension benefit payments to qualified general and public safety employees. The Employees Retirement Fund reported end-of-the-year net position held in trust for pension and health care benefits of \$187.7 million compared to the beginning amount of \$203.2 million. As of December 31, 2015, the most recent actuarial valuation, the fund was 104.5% funded.

Pension Trust - Discretionary Fire Incentive Reserve Fund - This fund is used to account for accumulation of resources for incentive payments to qualified volunteer firefighters. The fund reported end-of-year net position held in trust for benefits of \$7.6 million. As of December 31, 2015, the most recent actuarial valuation, the fund was 49.7% funded after taking into consideration new benefit levels.

Retiree Health Care Trust Fund - The Retiree Health Care Trust Fund was established in fiscal year 2006 to account for medical benefits provided to employees during retirement. This fund will accumulate revenue until the reserves are depleted in the employee's retirement fund. This plan and trust is created under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999. The fund reported net position held for benefits of \$57.4 million. As of December 31, 2014, the most recent actuarial valuation, the fund was 59.8% funded.

Agency Fund - This fund is used to account for taxes collected on behalf of other governmental units and contractors' performance deposits.

Component Units

Component units, as defined by GASB No. 14 and updated by GASB No. 61, are so classified due to their relationship with the primary government relative to financial accountability of the reporting agency.

Downtown Development Authority Fund - The Authority generates revenue from property value increases within the district compared to the initial taxable value established in 1993. These funds are used for the purpose of providing for the construction and financing of necessary improvements to prevent further deterioration of the development area while preserving and promoting economic growth.

Brownfield Redevelopment Authority - This fund was established in 2002 to account for projects that will improve environmentally distressed areas within the City of Troy.

Local Development Financing Authority - This fund was established to capture tax increment revenues in the Automation Alley Smart Park, to encourage local development, to prevent conditions of unemployment and to promote economic growth. The purpose of the authority is to provide for the construction and financing of public facilities within the City of Troy necessary for the project.

Tax Rate Limitations

The City Charter provides tax rate limitations for general operations. In addition, the City of Troy may levy taxes in excess of the Charter limitation for refuse collection, library operations and debt service.

Purpose	Authority	Rate Per \$1,000 of Taxable Value
General operating	City Charter	\$8.10
Refuse collection and disposal	Act 298, P.A. of Michigan 1917 as Amended Article IX, Section 56 of Michigan Constitution	\$3.00
Library operations	Voter approved - 5 years	\$0.70
Debt service	City Charter	Amount necessary for debt payment

Long-Term Financial Planning

Unassigned fund balance for the General Fund at year end was \$20.1 million or 39.4% of total general fund expenditures. This is above the general fund unassigned fund balance policy of 20%-30% of annual general fund expenditures.

The City's policy in restoring unassigned general fund balance to target levels includes using surplus unassigned fund balance for one-time purchases. The City maintains a 5 year capital improvement program. Typically specific projects are identified and funded through transfers from the general fund to the capital projects fund for these projects.

Specific projects identified in the 2016 fiscal year included major and local street improvements of \$6.2 million, funding for the re-building of fire station #4 of \$625 thousand and the purchase of fire pumper truck #4 \$585 thousand. These projects totaled \$7.4 million. Future projects include additional funding for major and local streets, continued funding for the re-build of fire station #4 as completion progresses and the installation of perimeter fencing for the police department. Total future projects are budgeted at \$4.7 million.

OTHER INFORMATION

Independent Audit

The City Charter and State statutes require an annual audit of all accounts of the City by certified public accountants. The accounting firm of Rehmann Robson, was selected by the City Council. The City received an “unmodified opinion” from Rehmann Robson, which is the best opinion that an organization can receive on its financial statements. It indicates that the auditor’s examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects.

Additionally, during the current year an audit was performed in accordance with the requirements of the *Single Audit Act Amendments of 1996 (P.L. 104456)*. The auditor’s reports related to the single audit are issued as a part of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Troy, Michigan for its CAFR for the fiscal year ended June 30, 2015.

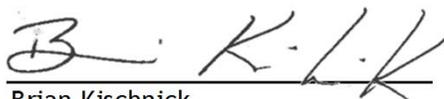
This was the nineteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a certificate of achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City has also received the GFOA *Award for Outstanding Achievement in Popular Annual Financial Reporting* (PAFR) and the GFOA *Distinguished Budget Presentation Award* for the City’s three year budget.

Acknowledgements

The timely preparation of the CAFR was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in preparation of this report.

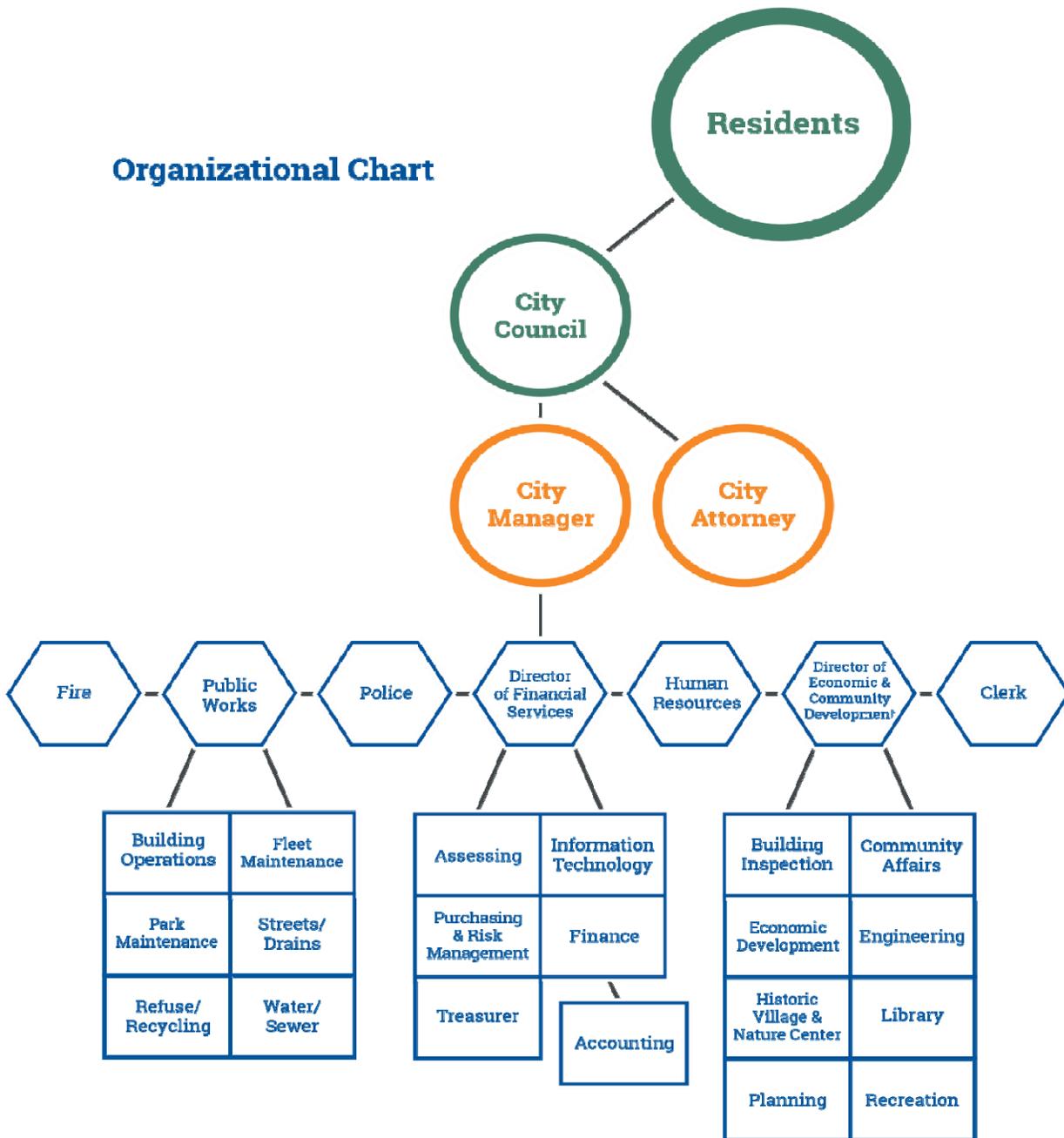

Brian Kischnick
City Manager


Thomas E. Darling, CPA, CPFIM
Director of Financial Services

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CITY OF TROY, MICHIGAN

Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Troy
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

CITY OF TROY, MICHIGAN
PRINCIPAL OFFICIALS

Acting City Manager	Brian Kischnick
City Attorney	Lori Grigg Bluhm
Director of Financial Services	Thomas E. Darling, CPA
Director of Economic and Community Development	Mark F. Miller
City Assessor	Leger (Nino) Licari
City Clerk	Aileen Dickson
City Engineer	Steven J. Vandette
City Treasurer	Sandra L. Kasperek
Community Affairs Director	Cynthia Stewart
Director of Building Operation	Steven Pallotta
Accounting Manager	Lisa Burnham
Fire Chief	Dave Roberts
Human Resources Director	Jeanette Menig
Information Technology Director	Gertrude M. Paraskevin
Library Director	Cathleen A. Russ
Recreation Director	Elaine Bo
Planning Director	Brent Savidant
Police Chief	Gary G. Mayer
Public Works Director	Kurt Bovensiep
Purchasing Manager	MaryBeth Murz
Superintendent of Fleet Maintenance	Brian Varney
Superintendent of Parks, Streets and Drains	Kurt Bovensiep
Superintendent of Water	Paul Troser

CITY OF TROY, MICHIGAN

FUND ORGANIZATION CHART

Governmental Funds

■ General Fund*

Special Revenue Funds

- Major Streets
- Local Streets
- Refuse
- Transit Center
- Drug Forfeiture
- Library
- Community Development Block Grant

Debt Service Funds

- General Debt Service
- Proposal A
- Proposal B
- Proposal C
- Series 2013*

■ Capital Projects Fund*

Permanent Fund

- Cemetery Perpetual Care

Proprietary Funds

Enterprise Funds

- Water*
- Sanitary Sewer*
- Aquatic Center
- Sylvan Glen Golf Course Fund
- Sanctuary Lake Golf Course Fund*

Internal Service

- Compensated Absences
- Unemployment Compensation
- Custodial Services
- Information Technology
- Motor Equipment
- Workers' Compensation

Fiduciary Funds

Pension and OPEB Trust

- Employees' Retirement System
- Firefighters Incentive Trust
- Retiree Health Care Trust

Agency

- Agency

Component Units

- Downtown Development Authority
- Brownfield Redevelopment Authority
- Local Development Financing Auth.

*Major funds under GASB No. 34

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

November 30, 2016

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *City of Troy, Michigan* (the "City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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.

Independent Auditors' Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Troy, Michigan, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules for the pension and other postemployment benefit plans listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2016, on our consideration of the City of Troy, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF TROY, MICHIGAN

Management's Discussion and Analysis

As management of the City of Troy, Michigan (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found as listed in the table of contents of this report.

Financial Highlights

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$459.8 million (*net position*). Of this amount \$118.5 million represents unrestricted net position which are economic (not total cash) resources which may be used to meet the City's ongoing obligations to residents and creditors.
- The City's total revenues of \$119.1 million were in excess of total expense of \$110.6 million resulting in an increase of net position in the amount of \$8.5 million.
- The City's governmental activities incurred expenses of \$75.7 million. These expenses were covered by program revenues totaling \$27.4 million and general revenues (including taxes, state shared revenues and other non-restrictive grants and contributions) of \$56.1 million resulting in an increase in net position of approximately \$7.8 million.
- Governmental activities revenue increased \$2.3 million due to additional capital contributions of \$1.1 million for Tri-Party agreements, Sylvan Glen Drain grants and Dog Park contributions. General revenues including property taxes increased \$1.8 million.
- Governmental activities expense decreased by \$4.7 million due to a prior year contribution of an additional \$2 million to the Volunteer Firefighter Incentive Plan & Trust and a reduction in pension expense of \$1.8 million.
- The City's business-type activities incurred \$34.9 million in expenses. These expenses were paid by program revenues, primarily in the form of user charges and contributions of \$34.9 million and other general revenues of \$689 thousand. This resulted in an increase in net position of approximately \$721 thousand. This increase is primarily due to higher sales volume in water and sanitary sewer funds along with increased participation at the City's municipal golf courses and aquatic center due to favorable weather patterns.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$55.0 million, a decrease of \$4.4 million in comparison with the prior year. The decrease is primarily due to planned one time expenditures for capital projects including major and local road improvements. Unassigned fund balance was approximately \$20.1 million is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$20.1 million, or approximately 39.4% of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consists of three components. The first component, *Government-Wide* financial statements, includes two financial statements, the *Statement of Position* and the *Statement of Activities*, these provide information about the activities of the City of Troy as a whole and present a longer-term view of the City's finances.

The second component, Fund financial statements, includes financial statements of governmental funds, proprietary funds, and fiduciary funds which focus on how City services were financed in the short term, as well as what remains for future spending. Fund financial statements report the City of Troy's operations in more detail than the government-wide financial statements.

The third and final component of the City's basic financial statements include notes that explain and provide more detailed data about some of the information found in the *Government-Wide* and *Fund* financial statements. The basic financial statements are followed by a section of supplementary information that further explains and supports the information in the basic financial statements. Information in the supplementary section include combining statements that provide details about our nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds, each of which are added together and presented in single columns in the basic financial statements.

Government-wide Statements

The government-wide statements report information about the City of Troy as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the change in the difference between the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This change in net position is an indicator of whether the City's financial health is improving or deteriorating. In order to assess the overall health of the City, you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads and other infrastructure.

The government-wide financial statements of the City of Troy are divided into two activities:

Governmental Activities - Most of the City's basic services are included here, such as police, fire, public works, parks and recreation, and general administration. Property taxes, state shared revenue, and charges for services finance most of these activities.

Business-type Activities - The City charges fees to customers to help cover the cost of certain services it provides. The City's business-type activities include water, sanitary sewer, Aquatic Center, and two public golf courses.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate entities of the *Downtown Development Authority*, *Local Development Financing Authority* and the *Brownfield Redevelopment Authority* for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found as listed in the table of contents of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City of Troy has three types of funds:

Governmental Funds - Most of the City's basic services are included in governmental funds, which focus on how cash, and other financial assets that can readily be converted to cash, flow in and out. The funds also show the balances left at year-end that are available for spending.

The governmental fund statements focus on a short-term view rather than the long-term focus of the government-wide statements, so additional information is provided after the governmental fund statements that explain the relationship or differences between the fund and government-wide statements.

Proprietary Funds - Proprietary funds are used to report services where the City charges customers a fee for services rendered. Proprietary funds provide both long- and short-term financial information. The two types of proprietary funds are enterprise and internal service funds:

- Enterprise funds and business-type activities are the same, but the fund statements provide more detail and additional information such as cash flows.
- Internal Service funds are used to report activities that provide supplies and service for the City's other programs. Examples of internal service funds would be Motor Equipment and Information Technology.

Fiduciary Funds - The City of Troy is trustee for its employee pension and other postemployment benefits plans. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance operations.

Government-wide Overall Financial Analysis

Statements of net position

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, net position was \$459.8 million, at the close of the most recent fiscal year.

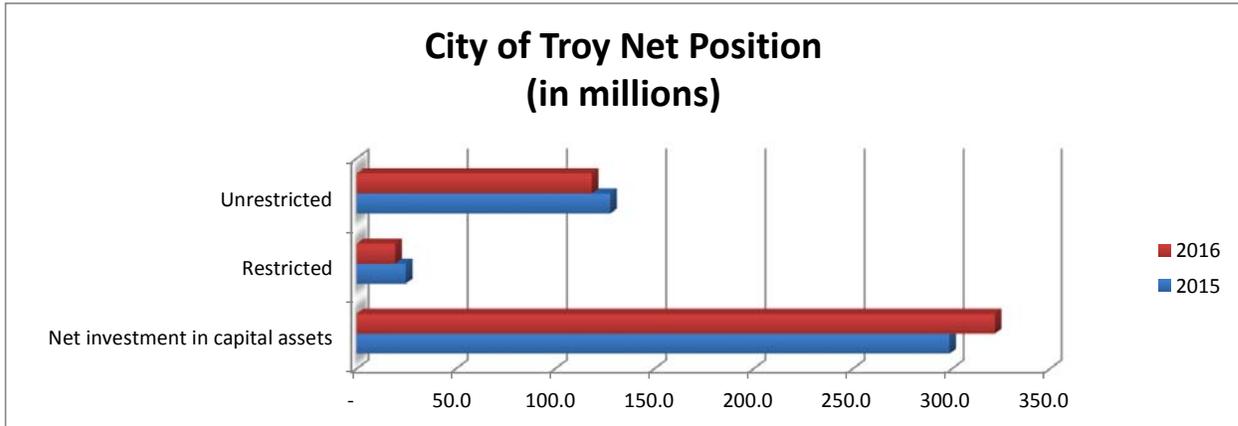
The table below shows the comparison of total assets, deferred outflows, total liabilities, deferred inflows and total net position (in millions of dollars) in a condensed format as of June 30, 2016 to the prior year.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and other assets	\$ 108.4	\$ 112.3	\$ 43.1	\$ 49.8	\$ 151.5	\$ 162.1
Capital assets	224.0	211.6	136.2	129.1	360.2	340.7
Total assets	332.4	323.9	179.3	178.9	511.7	502.8
Deferred outflows	14.2	5.9	0.8	0.8	15.0	6.7
Liabilities:						
Long-term debt outstanding	35.0	37.3	9.3	10.1	44.3	47.4
Other liabilities	17.9	6.7	4.5	4.1	22.4	10.8
Total liabilities	52.9	44.0	13.8	14.2	66.7	58.2
Deferred inflows	0.1	-	-	-	0.1	-
Net position:						
Net investment in capital assets	194.3	178.9	127.6	119.8	321.9	298.7
Restricted	19.4	24.8	-	-	19.4	24.8
Unrestricted	79.9	82.1	38.6	45.7	118.5	127.8
Total net position	\$ 293.6	\$ 285.8	\$ 166.2	\$ 165.5	\$ 459.8	\$ 451.3

By far, the largest portion of the City's net position (70.0%) reflects its investment in capital assets of \$321.9 million (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its residents. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (4.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$118.5 million (25.8%) is unrestricted and may be used to meet the City's ongoing obligations to its residents and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



The City's overall net position increased \$8.5 million from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Statements of activities

The following table shows the comparison of the change in net position (in millions of dollars) as of June 30, 2016 to the prior year, in a condensed format:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Program revenues:						
Charges for services	\$ 15.1	\$ 15.4	\$ 33.8	\$ 29.5	\$ 48.9	\$ 44.9
Operating grants & contributions	0.8	1.1	-	-	0.8	1.1
Capital grants & contributions	11.5	10.4	1.1	0.3	12.6	10.7
General revenues:						
Property taxes	48.4	47.0	-	-	48.4	47.0
State-shared revenues	6.5	6.5	-	-	6.5	6.5
Interest earnings	1.1	0.3	0.7	0.1	1.8	0.4
Other revenue	0.1	0.5	-	-	0.1	0.5
Total revenues	83.5	81.2	35.6	29.9	119.1	111.1
Expenses:						
General government	11.3	10.4	-	-	11.3	10.4
Public safety	31.0	35.7	-	-	31.0	35.7
Public works	16.3	17.2	-	-	16.3	17.2
Sanitation	4.5	4.6	-	-	4.5	4.6
Community & economic development	1.0	1.0	-	-	1.0	1.0
Recreation and culture	10.30	10.1	-	-	10.3	10.1
Interest expense	1.3	1.4	-	-	1.3	1.4
Water	-	-	18.50	15.7	18.5	15.7
Sanitary sewer	-	-	12.6	12.8	12.6	12.8
Golf courses	-	-	3.10	2.9	3.1	2.9
Aquatic center	-	-	0.7	0.6	0.7	0.6
Total expenses	75.7	80.4	34.9	32.0	110.6	112.4

Statements of activities (continued)

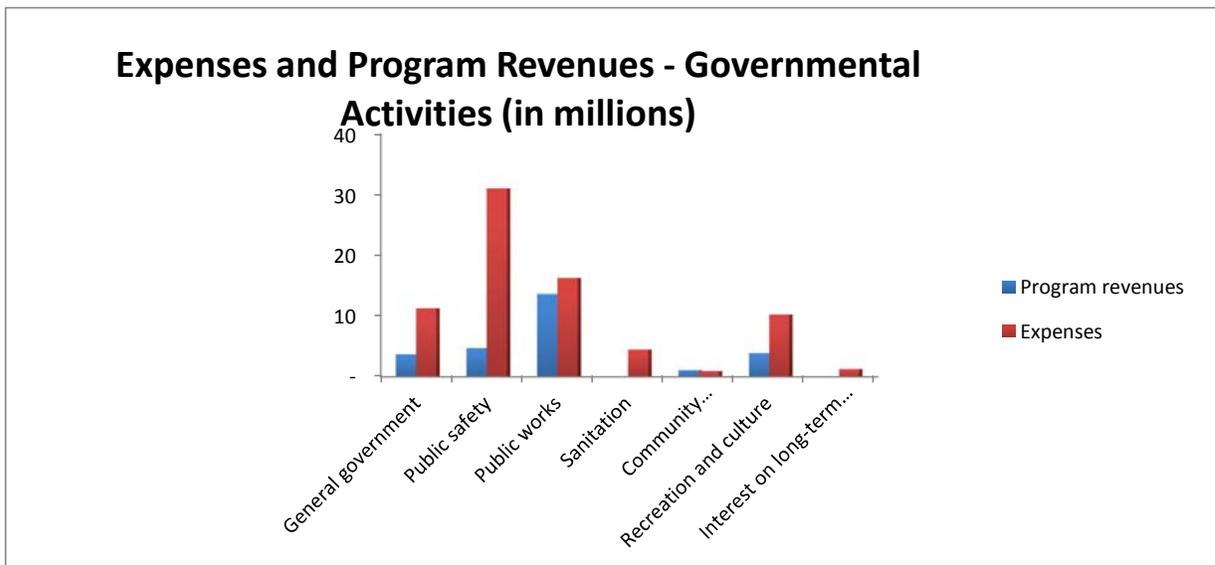
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Increase in net position before transfers	\$ 7.8	\$ 0.8	\$ 0.7	\$ (2.1)	\$ 8.5	\$ (1.3)
Transfers	-	-	-	-	-	-
Change in net position	7.8	0.8	0.7	(2.1)	8.5	(1.3)
Net position, beginning of year	285.8	285.0	165.5	167.6	451.3	452.6
Net position, end of year	\$ 293.6	\$ 285.8	\$ 166.2	\$ 165.5	\$ 459.8	\$ 451.3

Governmental Activities

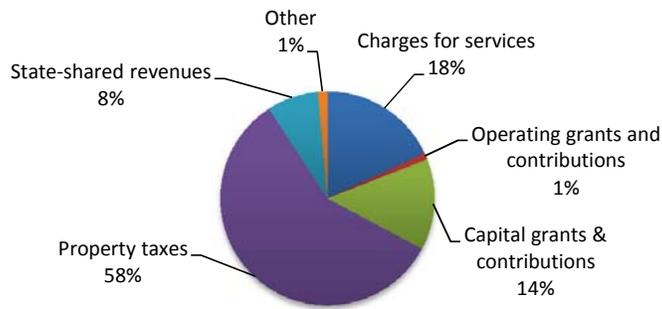
During the current fiscal year, net position for the City's governmental activities increased \$7.8 million from the prior fiscal year.

Total governmental revenue is reported at \$83.5 million, an increase of \$2.3 million from the prior year. The increase is primarily due to an increase of tax revenues of \$1.4 million and additional capital and grant contributions of \$1.1 million. The capital contributions were from the Road Commission of Oakland County, Oakland County and the Michigan Department of Transportation for street improvements (\$1.3 million), federal grants for drain improvements (\$375 thousand), and dog park contributions of \$142 thousand.

Total governmental expenses are reported at \$75.7 million, a decrease of \$4.7 million from the prior year. The decrease is due to the prior additional contribution of \$2 million to the Volunteer Firefighter Incentive Plan & Trust along with a \$1.8 million reduction in pension expense for the current year.



Sources of Revenues - Governmental Activities



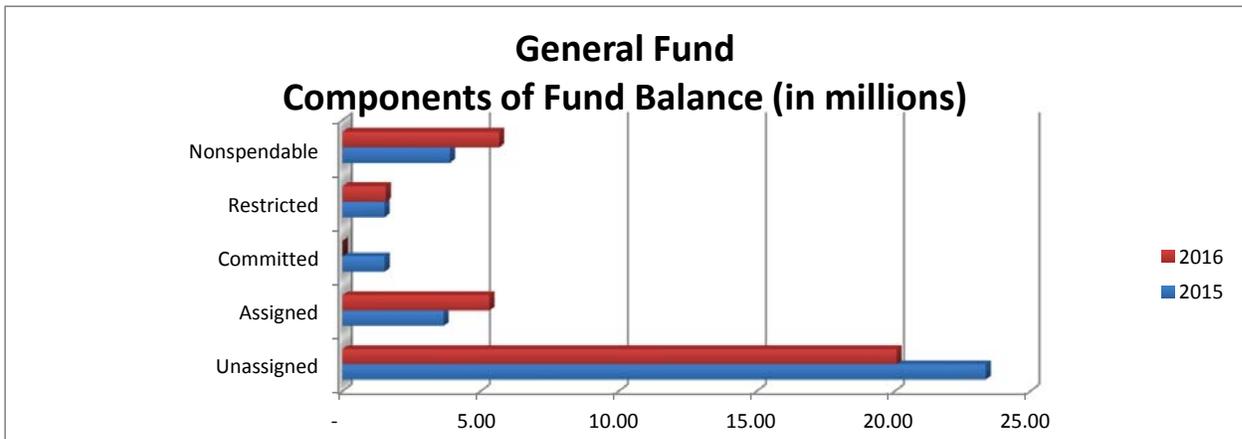
Business-type Activities

The City of Troy's business-type activities consist of water supply, sanitary sewer, aquatic center, and two municipal golf courses. Water and sanitary sewer services, classified as Major Funds, are provided to City residents through the Great Lakes Water Authority (GLWA) and Oakland County Water Resource Commission (OCWRC), respectively. Change in net position for business-type activities increased \$0.7 million. The Water Fund activities decreased net position by \$200 thousand while the Sanitary Sewer Fund increased net position by \$788 thousand. Although the Water Fund decreased net position by \$200 thousand, it was a significant improvement compared to the prior year decrease of \$1.1 million. These favorable results were primarily due to a significant increase in sale volumes of 3.4% coupled with a water rate increase from \$31.00 per thousand cubic feet (mcf) to \$34.40 per mcf, or 11%. purchase rate increases of 4.65% for water and 13.0% for sewer. The City's two golf courses recorded combined operating income of \$349 thousand and increased net position by \$72 thousand after deducting debt interest expense of \$293 thousand. The Aquatic Center recorded both operating income and an increase of net position of \$26 thousand. It should be noted that weather conditions can have a significant impact on financial results for all of the City's business-type activities.

Financial Analysis of Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City Council or management.

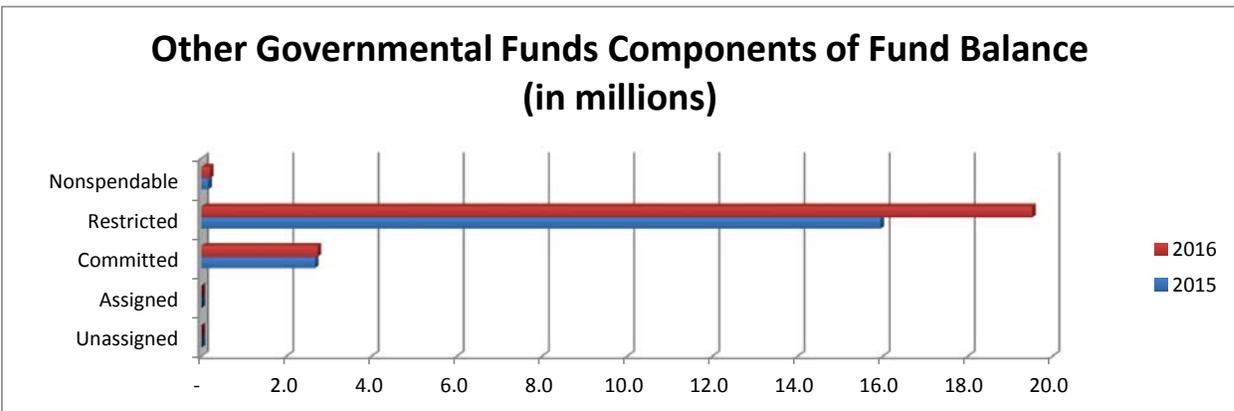
The City's governmental funds reported combined fund balances of \$55.0 million, a decrease of \$4.4 million compared to the prior year. Approximately 36.5% of this amount (\$20.1 million) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form, 2) legally required to be maintained intact, 3) restricted for particular purposes, 4) committed for particular purposes, or 5) assigned for particular purposes.



The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$20.1 million, while total general fund balance decreased \$2.0 million to \$32.6 million. This decrease was by design during the budget process using one-time expenditures (designated for road projects) to bring unassigned general fund balance down to the target limits of 20% to 30% of annual expenditures. As a measure of the general funds liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 39.4% of total general fund expenditures, while total general fund balance represents approximately 64.0% of the same amount.

As mentioned, total general fund balance decreased by \$2.0 million in the current fiscal year. Total revenues of \$52.7 million had a modest increase of \$994 thousand or 1.9% compared to the prior year. Property taxes, the General Fund's largest source of revenue, increased \$641 thousand or 2.1%. Taxable values of \$4.4 billion increased \$128 million or 2.9%. Residential values represented 64.3% of total taxable value while the combined commercial, industrial and personal property taxable values represented 35.7%.

General fund expenditures (before transfers) of \$51.0 million decreased \$2.3 million or 4.3%. The decrease was primarily in the area of an additional \$2.0 contribution to the Volunteer Firefighter Incentive Program in the prior year to offset increases to the Years of Service multiplier.



The capital projects fund, a major fund, had a decrease in fund balance of \$2.8 million during the current year for a total of \$11.0 million. Major capital projects included major street improvements of \$8.1 million, local street improvements of \$9.0 million, storm drain improvements of \$1.7 million, transit center land purchase \$3.2 million and fire building and apparatus of \$787 thousand. It should be noted that the General Fund contributed \$7.4 million towards the street and fire department improvements. The transit center land purchase was funded primarily with federal grant dollars with the remaining amount funded through fund balance restricted for transportation purposes.

The Series 2013 debt service fund, a major fund, was issued by the City to advance refund prior debt issuance of the Troy Downtown Development Authority (TDDA), a discrete component unit of the City. The debt was issued by the City to mitigate the financial impact of debt burden on the TDDA that was facing decreased tax capture from the district due to the 2008 recession and to take advantage of the City's AAA bond rating to receive favorable rates. Restructure of the TDDA district provides funding for debt service payments that are derived through charges from the City to the TDDA for reimbursement purposes. The fund maintains a zero fund balance.

Financial Analysis of Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the water fund was \$13.0 million and the sanitary sewer fund was \$28.7 million at the end of the current fiscal year. The Water Fund net positions decreased by \$200 thousand while the sanitary sewer fund increased \$788 thousand. This was primarily due to the increase in sale volumes of 3.4% coupled with a water rate increase of 11% and a sanitary sewer rate of 2.0%.

General Fund Budgetary Highlights

Over the course of the year, City Council amended the budget to take into account events during the year. Transfers out increased by \$5.2 million. City Council recognized General Fund surplus for the June 30, 2015 fiscal year and appropriated these funds to support the City's street improvement program while utilizing one-time expenditures to address General Fund unassigned fund balance.

Revenues of \$52.7 million were \$524 thousand over amended budget amounts. Contributing factors include charges for services over the amended budget by \$803 thousand primarily from engineering fees charged to various projects.

Expenditures of \$51.0 million were \$5.5 million under amended budget amounts. Expenditures by function under the amended budget include general government by \$522 thousand primarily from personal service (\$253 thousand), supplies (\$16 thousand) and other service charges (\$255 thousand). Public safety expenditures were under budget by \$3.2 million from personal service costs (\$2.1 million), supplies (\$99 thousand) and other service charges (\$994 thousand). Public works expenditures were under budget by \$1.2 million from maintenance/snow removal for major, county and local streets including personal service (\$473 thousand), supplies (\$37 thousand) and other service charges (\$662 thousand). Community development was under budget by \$150 thousand including personal services (\$115 thousand) and other service charges (\$37 thousand). Culture and recreation was under budget by \$411 thousand including personal services (\$89 thousand) and other service charges (\$360 thousand).

Capital Asset and Debt Administration

At the end of fiscal 2016, the City of Troy had \$360.2 million invested in a broad range of capital assets including land, buildings, police and fire equipment, water and sewer lines, roads, sidewalks, and other infrastructure. The increase in capital assets of \$19.5 million (net of accumulated depreciation) compared to the prior year was primarily attributable to the acquisition of new infrastructure items such as streets \$17.1 million, storm drains \$1.7, transit center land \$3.2 million and water and sanitary sewer transmission and distribution system improvements of \$10.9 million.

The City of Troy's debt rating is excellent. The City maintains a AAA rating on unlimited tax general obligation bonds by Standard and Poor's. The City of Troy's bond indebtedness totaled \$38.1 million at June 30, 2016, a decrease of \$3.6 million from the prior year due to the payment of bond principal.

Additional information about the City's capital assets and debt administration is presented in the notes to financial statements titled "Capital Assets" and "Long-Term Liabilities", respectively.

Current Economic Events

The following economic factors currently affect the City and were considered in developing the 2016/2017 through 2018/2019 three year fiscal budget.

- The millage rate for the 2016/2017 fiscal year decreased slightly to 10.4 mills compared to the 10.5 mills for the 2015/16 fiscal year. This is due to a decreased requirement for debt service from 0.70 mills to 0.60 mills. The total millage of 10.4 mills includes general operating millage of 6.5 mills, capital projects of 1.53 mills, refuse of 1.07 mills, debt service of 0.6 mills and library operations of 0.7 mills.
- Total General Fund revenues and other sources are expected to generate approximately \$57.0 million. This is a slight increase of \$588 thousand or 1.0% compared to the fiscal 2015/2016 results of \$56.4 million. Property tax revenues which accounts for approximately 57.9% of total General Fund revenues is expected to generate \$30.9 million. This is an increase of \$427 thousand or 1.4%.
- General fund expenditures and other uses are budgeted at \$59.2 million. This is an increase of to increase of \$834 thousand or 1.4% compared to fiscal 2015/16 results. The increase is primarily due to increases in personel costs and healthcare.
- The City purchases its water and sanitary sewer services from the Great Lakes Water Authority (GLWA) and Oakland County Water Resource Commission (OCWRC), respectively. The 2016/17 budget recognizes a stabalized sales volume of approximately 460 thousand mcf. This is a leveling of sales volume compared to a steady decrease over the last several years. Rates for the systems are developed based on estimated sales volume to cover estimated costs and capital requirements. Water rates were established at \$38.50 per mcf. This is an increase of \$4.10 per mcf or 11.9%. Sanitary sewer rates remained unchanged at 25.30 per mcf. The City prides itself on having one of the lowest combined water and sewer rates of any Southeastern Michigan community.
- The City maintains a long and established practice of using a conservative approach in developing it's three-year budget.

Contacting the City of Troy's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the City of Troy's financial condition.

If you have questions about this report or need additional information, we welcome you to contact the administrative offices at City Hall, 500 W. Big Beaver, Troy, MI. 48084. Additional information can be obtained at the City of Troy's web site, www.troymi.gov.

BASIC FINANCIAL STATEMENTS

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CITY OF TROY, MICHIGAN

Statement of Net Position

June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 64,859,805	\$ 37,858,689	\$ 102,718,494	\$ 624,751
Receivables (net)	21,107,026	8,895,014	30,002,040	455,420
Internal balances	4,183,578	(4,183,578)	-	-
Other assets	1,953,007	536,795	2,489,802	-
Net pension asset	13,628,697	-	13,628,697	-
Other postemployment benefits asset	2,643,580	-	2,643,580	-
Capital assets:				
Assets not being depreciated	49,931,954	26,912,287	76,844,241	-
Assets being depreciated, net	174,117,837	109,245,561	283,363,398	-
Total assets	332,425,484	179,264,768	511,690,252	1,080,171
Deferred outflows of resources				
Deferred pension expenses	14,223,103	-	14,223,103	-
Deferred loss on debt refinancing	-	787,612	787,612	-
Total deferred outflows	14,223,103	787,612	15,010,715	-
Liabilities				
Accounts payable	4,586,771	3,914,392	8,501,163	1,320
Accrued payroll	1,556,394	-	1,556,394	-
Accrued liabilities	713,397	598,712	1,312,109	203,346
Net pension liability	10,399,967	-	10,399,967	-
Unearned revenue	656,418	-	656,418	-
Long-term debt:				
Due within one year	5,850,310	738,824	6,589,134	260,000
Due in more than one year	29,178,952	8,595,510	37,774,462	14,165,000
Total liabilities	52,942,209	13,847,438	66,789,647	14,629,666
Deferred inflows of resources				
Deferred pension resources	81,033	-	81,033	-
Deferred gain on refunding	-	-	-	424,579
Total deferred inflows of resources	81,033	-	81,033	424,579
Net position				
Net investment in capital assets	194,299,483	127,611,126	321,910,609	-
Restricted for:				
Debt service	1,085,922	-	1,085,922	-
Capital projects	8,271,023	-	8,271,023	-
Highways and streets	6,673,362	-	6,673,362	-
Sanitation services	985,959	-	985,959	-
Library services	1,466,156	-	1,466,156	-
Other services	762,226	-	762,226	-
Perpetual care:				
Nonexpendable	161,800	-	161,800	-
Expendable	54,122	-	54,122	-
Unrestricted (deficit)	79,865,292	38,593,816	118,459,108	(13,974,074)
Total net position (deficit)	\$ 293,625,345	\$ 166,204,942	\$ 459,830,287	\$ (13,974,074)

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2016

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General government	\$ 11,305,100	\$ 3,766,949	\$ 13,615	\$ -	\$ (7,524,536)
Public safety	31,023,545	4,451,076	327,941	-	(26,244,528)
Public works	16,269,932	3,335,490	-	10,337,620	(2,596,822)
Sanitation	4,517,499	8,630	-	-	(4,508,869)
Community and economic development	955,880	-	171,023	970,337	185,480
Recreation and culture	10,248,458	3,587,481	247,970	158,733	(6,254,274)
Interest on long-term debt	1,344,219	-	-	-	(1,344,219)
Total governmental activities	75,664,633	15,149,626	760,549	11,466,690	(48,287,768)
Business-type activities					
Water	18,508,493	17,465,511	-	633,446	(409,536)
Sewer	12,584,209	12,470,724	-	470,686	357,201
Aquatic center	700,430	728,589	-	-	28,159
Sylvan Glen golf course	1,143,351	1,291,367	-	-	148,016
Sanctuary Lake golf course	1,900,990	1,809,386	-	-	(91,604)
Total business-type activities	34,837,473	33,765,577	-	1,104,132	32,236
Total primary government	\$110,502,106	\$ 48,915,203	\$ 760,549	\$12,570,822	\$ (48,255,532)
Component units					
Downtown development authority	\$ 849,206	\$ -	\$ -	\$ -	\$ (849,206)
Local development financing authority	167,378	-	-	-	(167,378)
Brownfield redevelopment authority	9,708	-	-	-	(9,708)
Total component units	\$ 1,026,292	\$ -	\$ -	\$ -	\$ (1,026,292)

continued...

CITY OF TROY, MICHIGAN

Statement of Activities (Continued)

For the Year Ended June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (48,287,768)	\$ 32,236	\$ (48,255,532)	\$ (1,026,292)
General revenues				
Property taxes	30,673,539	-	30,673,539	-
Property taxes for sanitary purposes	4,733,992	-	4,733,992	-
Property taxes for economic development	-	-	-	1,273,244
Property taxes for library	3,083,735	-	3,083,735	-
Property taxes for capital projects	6,771,668	-	6,771,668	-
Property taxes for debt service	3,106,251	-	3,106,251	-
State shared revenue, unrestricted	6,535,632	-	6,535,632	-
Grants and contributions not restricted to specific programs	24,472	-	24,472	-
Unrestricted investment earnings	1,079,714	681,643	1,761,357	12,647
Gain on sale of capital assets	131,968	6,946	138,914	-
Total general revenues	56,140,971	688,589	56,829,560	1,285,891
Change in net position	7,853,203	720,825	8,574,028	259,599
Net position, beginning of year (deficit)	285,772,142	165,484,117	451,256,259	(14,233,673)
Net position, end of year (deficit)	\$ 293,625,345	\$ 166,204,942	\$ 459,830,287	\$ (13,974,074)

concluded.

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Balance Sheet
Governmental Funds

June 30, 2016

	General	Debt Service Series 2013	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 28,302,887	\$ -	\$ 11,560,788	\$ 10,296,514	\$ 50,160,189
Receivables:					
Accounts receivable (net)	886,197	-	554,353	259,961	1,700,511
Taxes-delinquent	135,601	-	-	-	135,601
Special assessments	-	-	50,178	-	50,178
Interest and dividends	48,807	-	-	-	48,807
Due from component units	-	14,538,611	-	-	14,538,611
Due from other governments	1,476,378	-	1,778,661	1,318,317	4,573,356
Inventory	393,004	-	-	-	393,004
Prepaid expenditures	1,115,902	-	-	35,100	1,151,002
Advances to other funds	4,160,384	-	-	-	4,160,384
Total assets	\$ 36,519,160	\$ 14,538,611	\$ 13,943,980	\$ 11,909,892	\$ 76,911,643
Liabilities					
Accounts payable	\$ 1,787,174	\$ -	\$ 2,093,576	\$ 463,004	\$ 4,343,754
Accrued payroll	1,556,394	-	-	-	1,556,394
Unearned revenue	-	-	656,418	-	656,418
Other liabilities	305,928	-	150,267	10,891	467,086
Total liabilities	3,649,496	-	2,900,261	473,895	7,023,652
Deferred inflows of resources					
Unavailable revenue - property tax and long-term receivables	262,504	14,538,611	51,874	-	14,852,989
Fund balances					
Nonspendable	5,669,290	-	-	196,900	5,866,190
Restricted	1,563,203	-	8,271,023	11,239,097	21,073,323
Committed	-	-	2,720,822	-	2,720,822
Assigned	5,312,270	-	-	-	5,312,270
Unassigned	20,062,397	-	-	-	20,062,397
Total fund balances	32,607,160	-	10,991,845	11,435,997	55,035,002
Total liabilities, deferred inflows of resources and fund balances	\$ 36,519,160	\$ 14,538,611	\$ 13,943,980	\$ 11,909,892	\$ 76,911,643

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Reconciliation Fund Balances for Governmental Funds to Net Position of Governmental Activities June 30, 2016

Fund balances - total governmental funds	\$ 55,035,002
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add: capital assets not being depreciated	49,856,857
Add: capital assets being depreciated	427,780,270
Deduct: accumulated depreciation	(258,076,771)
Contributions to Trust Funds in excess of actuarially required amounts create an asset that can be applied to future required contributions in the statement of net position but are not financial resources and therefore are not reported in the funds.	
Add: other postemployment benefits asset	2,643,580
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus not included in fund balance.	
Add: deferred inflows from DDA debt reimbursements and personal property tax receivables	14,852,989
The recognition of net pension assets (or liabilities) involves the use actuarial assumptions based over a long-term time period. In addition, differences in actual to assumed results can have a significant impact on financial position and/or results if recognized in a single year and not adjusted (or smoothed) over a period that recognizes normal fluctuations in conditions. Because governmental funds focus on short-term financing, the recognition of net pension assets (or liabilities) and the related deferrals in actual to assumed results are not included in governmental funds. Accordingly, they are not included in fund balance.	
Add: Net Pension assets	13,628,697
Add: deferred outflows from pension expense recognition	14,223,103
Deduct: Net Pension liability	(10,399,967)
Deduct: deferred inflows from pension expense recognition	(81,033)
Internal service funds are used by management to charge the costs of certain equipment usage, public service department and retiree health care costs to individual governmental funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Add: net position of governmental activities accounted for in the internal service funds.	15,075,286
Add: due from business-type activities for internal service fund activities	23,194
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Deduct: accrued interest payable	(246,450)
Deduct: bonds payable and related premiums	(29,750,308)
Deduct: claims incurred but not reported	(939,104)
Net position of governmental activities	<u>\$ 293,625,345</u>

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the Year Ended June 30, 2016

	General	Debt Service Series 2013	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 30,486,065	\$ -	\$ 6,771,668	\$ 10,923,978	\$ 48,181,711
Licenses and permits	2,519,342	-	-	-	2,519,342
Intergovernmental:					
Federal sources	29,449	-	2,223,895	239,282	2,492,626
State sources	6,652,295	-	702,686	6,661,544	14,016,525
Local sources	238,599	-	1,162,856	-	1,401,455
Charges for services	9,313,681	-	238,356	84,663	9,636,700
Fines and forfeitures	983,677	-	-	199,894	1,183,571
Investment earnings	484,516	-	169,331	211,382	865,229
Other	1,966,016	951,013	11,898	19,339	2,948,266
Total revenues	52,673,640	951,013	11,280,690	18,340,082	83,245,425
Expenditures					
Current:					
General government	7,247,935	-	30,925	59,544	7,338,404
Public safety	28,562,711	-	-	48,310	28,611,021
Public works	5,372,214	-	-	-	5,372,214
Sanitation	-	-	-	4,517,910	4,517,910
Community development	3,073,451	-	-	112,552	3,186,003
Recreation and culture	6,727,789	-	-	2,729,910	9,457,699
Debt service:					
Principal	-	260,000	222,716	2,440,000	2,922,716
Interest and fees	-	691,013	52,869	664,062	1,407,944
Capital outlay	-	-	24,973,022	-	24,973,022
Total expenditures	50,984,100	951,013	25,279,532	10,572,288	87,786,933
Revenues (under) over expenditures	1,689,540	-	(13,998,842)	7,767,794	(4,541,508)
Other financing sources (uses)					
Transfers in	3,709,153	-	10,985,700	3,528,413	18,223,266
Transfers out	(7,410,000)	-	-	(10,813,266)	(18,223,266)
Proceeds from sale of capital assets	-	-	172,438	-	172,438
Total other financing sources (uses)	(3,700,847)	-	11,158,138	(7,284,853)	172,438
Net change in fund balances	(2,011,307)	-	(2,840,704)	482,941	(4,369,070)
Fund balances, beginning of year	34,618,467	-	13,832,549	10,953,056	59,404,072
Fund balances, end of year	\$ 32,607,160	\$ -	\$ 10,991,845	\$ 11,435,997	\$ 55,035,002

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Reconciliation Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities For the Year Ended June 30, 2016

Net change in fund balances - total governmental funds \$ (4,369,070)

Amounts reported for *governmental activities* in the statement of activities are different because:

The Capital Projects Fund reports outlays as expenditures. However, in the statement of activities, the cost of some of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Add: capitalized outlays	24,934,464
Deduct: depreciation expense	(12,827,830)
Deduct: cost basis of assets sold	(236,412)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred inflows to the following fiscal year.

Deduct: Difference in net pension asset/liability and related deferred outflows and deferred inflows	(2,707,235)
Add: net difference in deferred inflows for property taxes	187,474
Deduct: deferred inflow change for long-term receivable	(261,516)

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Add: principal payments on long-term liabilities	2,922,716
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Internal service funds are used by management to charge the costs of certain equipment, public service department and employee insurance costs to individual governmental funds. The net expense attributable to those funds are reported with governmental activities.

Add: net income from governmental activities in the internal service funds	451,221
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Add: decrease in accrued interest expense and amortization of bond premiums	63,723
Deduct: increase in accrued claims payable	(304,332)

Change in net position of governmental activities	\$ 7,853,203
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The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual General Fund

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 30,835,600	\$ 30,835,600	\$ 30,486,065	\$ (349,535)
Licenses and permits	2,587,150	2,587,150	2,519,342	(67,808)
Intergovernmental				
Federal sources	3,000	3,000	29,449	26,449
State sources	6,913,300	6,913,300	6,652,295	(261,005)
Local sources	214,880	214,880	238,599	23,719
Charges for services	8,511,100	8,511,100	9,313,681	802,581
Fines and forfeitures	844,000	844,000	983,677	139,677
Investment earnings	250,000	250,000	484,516	234,516
Other	1,991,000	1,991,000	1,966,016	(24,984)
Total revenues	52,150,030	52,150,030	52,673,640	523,610
Expenditures				
General government				
Council and executive administration	4,029,320	4,029,320	3,784,273	(245,047)
Finance	2,596,230	2,596,230	2,446,952	(149,278)
Other	1,144,400	1,144,400	1,016,710	(127,690)
Total general government	7,769,950	7,769,950	7,247,935	(522,015)
Public safety				
Police	24,237,560	24,237,560	21,853,975	(2,383,585)
Fire	5,030,550	5,030,550	4,688,529	(342,021)
Building inspection	2,513,720	2,513,720	2,020,207	(493,513)
Total public safety	31,781,830	31,781,830	28,562,711	(3,219,119)
Public works				
Roads and streets	6,544,050	6,544,050	5,372,214	(1,171,836)
Community Development				
Engineering	2,341,890	2,341,890	2,269,739	(72,151)
Planning	881,160	881,160	803,712	(77,448)
Total community development	3,223,050	3,223,050	3,073,451	(149,599)
Culture and recreation				
Parks	2,756,310	2,756,310	2,432,264	(324,046)
Recreation	4,082,990	4,082,990	4,026,506	(56,484)
Historic village and nature center	299,250	299,250	269,019	(30,231)
Total culture and recreation	7,138,550	7,138,550	6,727,789	(410,761)
Total expenditures	56,457,430	56,457,430	50,984,100	(5,473,330)

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CITY OF TROY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual General Fund

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues over (under) expenditures	\$ (4,307,400)	\$ (4,307,400)	\$ 1,689,540	\$ 5,996,940
Other financing sources (uses)				
Transfers in	4,542,880	4,542,880	3,709,153	(833,727)
Transfers out	(5,160,000)	(10,360,000)	(7,410,000)	(2,950,000)
Total other financing sources (uses)	(617,120)	(5,817,120)	(3,700,847)	(3,783,727)
Net change in fund balances	(4,924,520)	(10,124,520)	(2,011,307)	8,113,213
Fund balance, beginning of year	34,618,467	34,618,467	34,618,467	-
Fund balance, end of year	\$ 29,693,947	\$ 24,493,947	\$ 32,607,160	\$ 8,113,213

concluded.

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sanitary Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets:						
Cash and investments	\$ 9,656,946	\$ 26,885,832	\$ 771,072	\$ 544,839	\$ 37,858,689	\$ 14,699,616
Interest receivable	499	2,187	-	-	2,686	-
Accounts receivable:						
Billed	2,831,122	302,069	280	38,477	3,171,948	59,962
Unbilled	3,178,666	2,088,838	-	-	5,267,504	-
Inventories	359,821	29,313	34,494	30,121	453,749	409,001
Prepaid expenses	-	-	49,591	33,455	83,046	-
Total current assets	16,027,054	29,308,239	855,437	646,892	46,837,622	15,168,579
Noncurrent assets:						
Contracts receivable	53,930	398,946	-	-	452,876	-
Advances to other funds	-	-	-	3,343,230	3,343,230	-
Capital assets not being depreciated	13,231,467	9,572,805	2,213,463	1,894,552	26,912,287	75,097
Capital assets being depreciated net of accumulated depreciation	73,191,485	27,824,284	6,701,925	1,527,867	109,245,561	4,414,338
Total noncurrent assets	86,476,882	37,796,035	8,915,388	6,765,649	139,953,954	4,489,435
Total assets	102,503,936	67,104,274	9,770,825	7,412,541	186,791,576	19,658,014
Deferred outflow of resources						
Deferred loss on debt refinancing	-	-	787,612	-	787,612	-
Liabilities						
Current liabilities:						
Accounts payable	2,819,573	958,892	420	135,507	3,914,392	242,878
Accrued liabilities	245,040	113	167,745	185,814	598,712	-
Compensated absences	-	-	-	-	-	2,425,505
Current portion of bonds and capital lease payable	-	-	686,912	51,912	738,824	-
Total current liabilities	3,064,613	959,005	855,077	373,233	5,251,928	2,668,383
Noncurrent liabilities:						
Compensated absences	-	-	-	-	-	1,914,345
Advances from other funds	-	-	7,323,312	180,302	7,503,614	-
Bonds and capital lease payable	-	-	8,560,056	35,454	8,595,510	-
Total noncurrent liabilities	-	-	15,883,368	215,756	16,099,124	1,914,345
Total liabilities	3,064,613	959,005	16,738,445	588,989	21,351,052	4,582,728
Net position						
Net investment in capital assets	86,422,952	37,397,089	456,032	3,335,053	127,611,126	4,489,435
Unrestricted (deficit)	13,016,371	28,748,180	(6,636,040)	3,488,499	38,617,010	10,585,851
Total net position (deficit)	\$ 99,439,323	\$ 66,145,269	\$ (6,180,008)	\$ 6,823,552	166,228,136	\$ 15,075,286
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(23,194)	
Net position of business type activities					\$ 166,204,942	

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Statement of Revenue, Expenses and Changes in Fund Net Position
Proprietary Funds
 For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sanitary Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues						
State grants	\$ -	\$ 232,587	\$ -	\$ -	\$ 232,587	\$ -
Charges for services	16,709,771	12,469,650	1,802,954	1,641,841	32,624,216	7,278,670
Rental:						
Golf course	-	-	432	209,887	210,319	-
Restaurant	-	-	-	67,200	67,200	-
Hydrant	4,950	-	-	-	4,950	-
Building	-	-	-	-	-	163,696
Equipment	-	-	-	-	-	3,241,388
Tap and connections fees	400,760	-	-	-	400,760	-
Penalties	298,933	-	-	-	298,933	-
Other services	51,097	1,074	6,000	101,028	159,199	-
Other services to city funds	-	-	-	-	-	118,633
Total operating revenues	17,465,511	12,703,311	1,809,386	2,019,956	33,998,164	10,802,387
Operating expenses						
Cost of sales and services	12,359,686	10,049,397	-	-	22,409,083	7,212,870
General and administrative	1,167,455	611,034	-	-	1,778,489	562,271
Operations	2,682,126	777,147	1,291,401	1,544,355	6,295,029	2,207,057
Depreciation	2,324,039	1,158,185	319,708	294,602	4,096,534	744,579
Total operating expenses	18,533,306	12,595,763	1,611,109	1,838,957	34,579,135	10,726,777
Operating income (loss)	(1,067,795)	107,548	198,277	180,999	(580,971)	75,610
Nonoperating revenues (expenses)						
Investment earnings	234,445	445,700	403	1,095	681,643	214,485
Interest expense	-	-	(289,881)	(3,273)	(293,154)	-
Gain (loss) on sale of capital assets	300	(3,770)	4,000	6,416	6,946	195,942
Total nonoperating revenues (expenses)	234,745	441,930	(285,478)	4,238	395,435	410,427
Income (loss) before contributions	(833,050)	549,478	(87,201)	185,237	(185,536)	486,037
Developer contributions	633,446	238,099	-	-	871,545	-
Change in net position	(199,604)	787,577	(87,201)	185,237	686,009	486,037
Net position (deficit), beginning of year	99,638,927	65,357,692	(6,092,807)	6,638,315		14,589,249
Net position (deficit), end of year	\$ 99,439,323	\$ 66,145,269	\$ (6,180,008)	\$ 6,823,552		\$ 15,075,286
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					34,816	
Change in net position of business-type activities					\$ 720,825	

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Statement of Cash Flows
Proprietary Funds
 For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sanitary Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities						
Cash received from customers and others	\$ 16,064,583	\$ 12,064,281	\$ 1,809,531	\$ 2,003,058	\$ 31,941,453	\$ -
Cash received from interfund services	-	-	-	-	-	10,802,387
Cash payments to employees	(2,288,153)	(730,658)	(602,953)	(815,828)	(4,437,592)	(7,089,813)
Cash payments to suppliers for goods and services	(13,131,634)	(10,432,256)	(702,846)	(586,332)	(24,853,068)	(2,650,808)
Cash payments for interfund services	(406,069)	(251,574)	(7,642)	(27,905)	(693,190)	-
Net cash provided by operating activities	238,727	649,793	496,090	572,993	1,957,603	1,061,766
Cash flows from noncapital financing activities						
Advances to other funds	-	-	-	(100,000)	(100,000)	-
Advances from other funds	-	-	510,000	-	510,000	-
Net cash provided (used) by noncapital financing activities	-	-	510,000	(100,000)	410,000	-
Cash flows from capital and related financing activities						
Purchase of capital assets	(4,029,648)	(6,022,751)	(108,993)	(183,254)	(10,344,646)	(1,350,950)
Proceeds from sale of capital assets	300	18,428	4,000	10,550	33,278	195,942
Capital lease payments	-	-	(50,430)	(50,430)	(100,860)	-
Bond principal payments	-	-	(645,000)	-	(645,000)	-
Bond note interest payments	-	-	(236,713)	(3,273)	(239,986)	-
Net cash (used) by capital and related financing activities	(4,029,348)	(6,004,323)	(1,037,136)	(226,407)	(11,297,214)	(1,155,008)
Cash flows from investing activities						
Investment earnings	234,200	445,042	403	1,095	680,740	222,825
Net increase (decrease) in cash and investments	(3,556,421)	(4,909,488)	(30,643)	247,681	(8,248,871)	129,583
Cash and investments, beginning of year	13,213,367	31,795,320	801,715	297,158	46,107,560	14,570,033
Cash and cash investments, end of year	\$ 9,656,946	\$ 26,885,832	\$ 771,072	\$ 544,839	\$ 37,858,689	\$14,699,616

continued...

CITY OF TROY, MICHIGAN

Statement of Cash Flows
Proprietary Funds
 For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sanitary Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	\$ (1,067,795)	\$ 107,548	\$ 198,277	\$ 180,999	\$ (580,971)	\$ 75,610
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation	2,324,039	1,158,185	319,708	294,602	4,096,534	744,579
Changes in assets and liabilities:						
Accounts receivable	(1,410,568)	(670,374)	145	(16,898)	(2,097,695)	-
Inventories	94,105	13,564	35,012	10,557	153,238	21,717
Prepaid items	-	-	(23,770)	(4,827)	(28,597)	-
Contracts receivable	9,640	31,344	-	-	40,984	-
Accounts payable	1,186,415	9,413	280	103,587	1,299,695	(2,534)
Accrued liabilities	(897,109)	113	(33,562)	4,973	(925,585)	222,394
Net cash provided by operating activities	<u>\$ 238,727</u>	<u>\$ 649,793</u>	<u>\$ 496,090</u>	<u>\$ 572,993</u>	<u>\$ 1,957,603</u>	<u>\$ 1,061,766</u>
Noncash investing, capital, and financing activities						
Contributions of capital assets	<u>\$ 633,446</u>	<u>\$ 238,099</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 871,545</u>	<u>\$ -</u>

concluded.

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Statement of Fiduciary Net Position Fiduciary Funds

June 30, 2016

	Pension and OPEB Trusts	Agency
Assets		
Cash	\$ 7,536,431	\$ 4,354,920
Interest receivable	105,675	-
Investments:		
U.S. Government securities and agencies	8,504,182	-
Municipal securities	55,991	-
Corporate bonds	14,260,275	-
Corporate equities	98,392,006	-
Mutual funds	87,250,683	-
Exchange traded funds	36,720,957	-
Total assets	252,826,200	\$ 4,354,920
Liabilities		
Accounts payable	57,255	\$ 36,100
Accrued liabilities	70,547	-
Performance deposits	-	4,318,820
Total liabilities	127,802	\$ 4,354,920
Net position		
Restricted for pension benefits	182,920,911	
Restricted for postemployment healthcare benefits	69,777,487	
Total net position	\$ 252,698,398	

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Statement of Changes in Fiduciary Net Position Fiduciary Funds

For the Year Ended June 30, 2016

	Pension and OPEB Trusts
Additions	
Contributions	
Employer contributions	\$ 6,316,421
Employee contributions	166,434
Total contributions	<u>6,482,855</u>
Investment earnings	
Interest	917,719
Dividends	6,974,400
Other income	84,967
Net adjustment in fair value of investments	<u>(7,557,584)</u>
Total investment earnings	419,502
Less investment expense	<u>578,205</u>
Net investment loss	<u>(158,703)</u>
Total additions	<u>6,324,152</u>
Deductions	
Benefits	16,738,188
Administrative expenses	<u>172,847</u>
Total deductions	<u>16,911,035</u>
Net change in net position	<u>(10,586,883)</u>
Restricted net position, beginning of year for	
Pension benefits	193,940,011
Postemployment healthcare benefits	<u>69,345,270</u>
Total restricted net position, beginning of year	<u>263,285,281</u>
Restricted net position, end of year for	
Pension benefits	182,920,911
Postemployment healthcare benefits	<u>69,777,487</u>
Total restricted net position, end of year	<u><u>\$ 252,698,398</u></u>

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Discretely Presented Component Units Combining Statement of Net Position

June 30, 2016

	Downtown Development Authority	Local Development Financing Authority	Brownfield Redevelopment Authority	Total
Assets				
Cash and investments	\$ 147,241	\$ 117,466	\$ 360,044	\$ 624,751
Receivables:				
Taxes receivable	42,910	-	-	42,910
Revolving loans receivable	-	-	412,510	412,510
Total assets	190,151	117,466	772,554	1,080,171
Liabilities				
Accounts payable	-	1,320	-	1,320
Interest payable	113,611	-	-	113,611
Accrued liabilities	-	89,735	-	89,735
Long-term debt:				
Due within one year	260,000	-	-	260,000
Due after one year	14,165,000	-	-	14,165,000
Total liabilities	14,538,611	91,055	-	14,629,666
Deferred inflows of resources				
Deferred gain on refunding	424,579	-	-	424,579
Net position (deficit)				
Unrestricted	\$ (14,773,039)	\$ 26,411	\$ 772,554	\$ (13,974,074)

The accompanying notes are an integral part of these basic financial statements.

CITY OF TROY, MICHIGAN

Discretely Presented Component Units Combining Statement of Activities

For the Year Ended June 30, 2016

	Downtown Development Authority	Local Development Financing Authority	Brownfield Redevelopment Authority	Total
Revenues				
General:				
Property taxes	\$ 1,068,043	\$ 178,725	\$ 26,476	\$ 1,273,244
Investment earnings	4,883	2,231	5,533	12,647
Total revenues	<u>1,072,926</u>	<u>180,956</u>	<u>32,009</u>	<u>1,285,891</u>
Expenses				
Economic development	183,296	167,378	9,708	360,382
Interest	665,910	-	-	665,910
Total expenses	<u>849,206</u>	<u>167,378</u>	<u>9,708</u>	<u>1,026,292</u>
Change in net position	223,720	13,578	22,301	259,599
Net position (deficit), beginning of year	<u>(14,996,759)</u>	<u>12,833</u>	<u>750,253</u>	<u>(14,233,673)</u>
Net position (deficit), end of year	<u><u>\$ (14,773,039)</u></u>	<u><u>\$ 26,411</u></u>	<u><u>\$ 772,554</u></u>	<u><u>\$ (13,974,074)</u></u>

The accompanying notes are an integral part of these basic financial statements.

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NOTES TO FINANCIAL STATEMENTS

CITY OF TROY, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Troy, Michigan have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The following is a summary of the significant accounting policies:

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

The City of Troy, Michigan was incorporated in 1955, and was formerly known as Troy Township since it was organized in 1821. The City is governed by an elected mayor and six-member council.

As required by generally accepted accounting principles, these financial statements present the City of Troy and its component units, entities for which the government is considered to be financially accountable.

Component Units

Discretely presented component units. Are legally separate entities, but are not in substance part of the government operation. The City of Troy has three component units, the Downtown Development Authority, Brownfield Redevelopment Authority and the Local Development Financing Authority, which meet the criteria for discretely presented component units. The Authorities are also reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. Financial statements for each of the individual component units are included in the supplemental information section as listed in the table of contents of this report. Separately issued audited financial statements are not available.

The purpose of the Downtown Development Authority is to issue bonds and use tax increment financing in the accomplishment of specific Downtown Development improvements to City-owned facilities and infrastructure, which are contained in the locally adopted development plan. The Downtown Development Authority may participate in projects for private development as long as it is for a public purpose. The Authority's governing body, which consists of thirteen individuals, is selected by the City Council. In addition, the City Council sets the annual budget.

The purpose of the Brownfield Redevelopment Authority is to provide assistance for the redevelopment of abandoned, idled, or under-utilized industrial or commercial properties, which are complicated by real or perceived environmental contamination. The Authority's governing body, which consists of seven individuals, is selected by the City Council. In addition, the City Council sets the annual budget for the Authority.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

The Local Development Financing Authority is a multi-jurisdictional authority that was established to encourage local development in order to prevent conditions of unemployment and to promote economic growth. The Authority's governing body, which consists of five individuals, is selected by the City Council. In addition, the City Council sets the annual budget.

Basis of Presentation - Government-Wide Financial Statements

The statement of net position and the statement of activities are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the Governmental Accounting Standards Board Statement No. 33.

The statement of net position and the statement of activities display information about the City as a whole. The statements include all funds of the primary government and its component units, except for its fiduciary funds. Those funds are reported in the statements of fiduciary net position and changes in fiduciary net position.

The statement of net position and the statement of activities are presented to distinguish between governmental and business-type activities of the City. Governmental activities are financed through taxes, intergovernmental revenues and other non-exchange revenues. These activities are reported in governmental and internal service funds. Business-type activities are financed by fees charged to external parties for goods or services. These activities are reported in the City's enterprise funds.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Capital assets are reported in the government-wide statements at historical cost. Capital assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, library collection, infrastructure and all other tangible or intangible assets that are used in operations and have initial useful lives beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets.

Capital assets that are being depreciated are reported net of accumulated depreciation in the statement of net position. Capital assets not being depreciated, such as land and construction in progress, are reported separately.

Capital assets are depreciated over their estimated useful lives. Depreciation expense is reported in the statement of activities by allocating the net cost over the estimated useful life of the asset. Assets are depreciated on an individual basis for equipment and buildings. Roads are depreciated as a class with each class containing items based on their date of construction or reconstruction. Sidewalks are depreciated by class with each class containing items based on the year of construction.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental Funds

The City reports the following major and nonmajor governmental funds:

Major Governmental Funds

General Fund. The general fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for and reported in another fund.

Debt Service - Series 2013. This fund is used to account for proceeds received by the City from the Troy Downtown Development Authority (TDDA). The proceeds are to reimburse the City for principal and interest payments on City issued debt to refinance debt originally issued by the TDDA.

Capital Project Fund. The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Nonmajor Governmental Funds

Special Revenue Funds. Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds. Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Permanent Funds. Permanent funds are used to account for the resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the government or its residents. The City has one permanent fund for cemetery perpetual care.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Proprietary Funds

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer funds, Aquatic Center, golf course funds and the City's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Proprietary funds focus on limitations on the use of net position, rather than on the source of those assets.

The following proprietary funds are reported:

Enterprise Funds

Enterprise Funds are used to account for City operations which are similar to those often found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

The City reports the following major enterprise funds:

Water Fund. The water fund accounts for the operation and maintenance of the City's water supply system, capital additions and improvements.

Sanitary Sewer Fund. The sanitary sewer fund accounts for the operation and maintenance of the City's sewage disposal system, capital additions and improvements.

Sanctuary Lake Golf Course. The Sanctuary Lake golf course fund accounts for the operations of the new 18-hole links style course with practice facility.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or other governments, on a cost-reimbursement basis.

The City operates six internal service funds. The unemployment and workers' compensation funds account for insurance costs provided to and charged to other departments. The compensated absences fund accounts for the accrual of sick and vacation by all departments. The information technology fund provides computer services, training and equipment to all departments on a cost reimbursement basis. The motor equipment fund rents vehicles and equipment to departments on a cost reimbursement basis. The custodial services fund provides services to all funds on a cost reimbursement basis.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Fiduciary Funds

Pension and Other Postemployment Benefits Trust Funds

Pension funds are used to account for assets held by the City in a trustee capacity for the benefit of retirees and their beneficiaries. These include the employees' retirement system trust fund, the retiree health care trust fund and the discretionary fire incentive reserve fund. These funds are accounted for in essentially the same manner as proprietary funds, since capital maintenance is critical. They accumulate resources for benefits to qualified employees and volunteers during retirement.

Trust and Agency Fund

The trust and agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results from operations. Fund activity includes tax collections for other taxing jurisdictions for which the City collects taxes and contractors performance deposits.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources* measurement focus and the *full accrual* basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Their revenues are recognized when they become measurable and available.

Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year end to pay liabilities of the current period. For this purpose, the City generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The exception to this is state shared revenues and expenditure driven grants in which revenues are recognized if received within 90 days and one year of the end of the fiscal period, respectively. Significant revenues susceptible to accrual include reimbursement grants, state shared revenues and charges for services.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred provided the liability normally would be liquidated with expendable available financial resources. The major exception to this general rule is principal and interest on general long-term debt which is recognized when due.

Certain indirect expenditures are included in the program expense reported for individual functions and activities.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financial uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds, pension and retiree health care trust funds are accounted for on a cost of services or "*economic resources*" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statements of net position. Revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position. Unbilled water and sewer fund utility service receivables are recorded at year-end.

Budgetary Information

The City is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following is a summary of the requirements of this Act according to the State Treasurer's "Bulletin for Audits of Local Units of Government in Michigan" dated April 1984:

1. Budgets must be adopted for the general fund and special revenue funds.
2. The budgets must be balanced.
3. The budgets must be amended when necessary.
4. Public hearings must be held before budget adoptions.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures must be authorized by a budget before being incurred.

The City adopts its budget by function, which is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or before the third Monday in April, the City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing on the budget is held before its final adoption.
3. As provided for by the City Charter, on or before the third Monday in May, the budget is legally adopted and by resolution designates the sum to be raised by taxation.
4. The City Manager is authorized to transfer budgeted amounts within budgetary functions; however, any revisions that alter the total expenditure of any budgetary function must be approved by the City Council.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Budget amounts of the revenues and expenditures presented for the governmental funds are a summarization of the budgeted amounts as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations that were adopted, for the general and special revenue funds. Budget appropriations lapse at year end. During the current year, the budget was amended in a legally permissible manner. Budgets have been prepared on a basis consistent with generally accepted accounting principles (GAAP).

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balances

Cash and Investments

The City maintains an investment pool for all City funds. Each fund's portion of the investment pool along with any individual fund investments are displayed on the statements of net position or balance sheet as "cash and investments".

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date of three months or less at the date acquired by the City.

Investments are stated at fair value. For fair value, securities traded on a national exchange are valued at the last reported sales price.

The investment policy adopted by the Troy City Council, in accordance with Public Act 201 of 1943, as amended, authorizes investments in all of the investment vehicles noted above with the provision that authorized depositories shall be designated by the Troy City Council.

The pension and retiree health care trust funds are authorized by Michigan Public Acts 314 of 1965, Public Act 485 of 1996 and Public Act 149 of 1999 to invest in certain reverse repurchase agreements, real estate leased to public agencies, stocks, diversified investment companies, annuity investment contracts, mortgages, certain state and local government obligations, and certain other specified investment vehicles.

Inventories and Prepaid Items

Inventory is stated at cost determined on a first-in, first-out basis which approximates market value. Inventories in the governmental funds are recorded as expenditures when the inventory item is consumed. Inventories are equally offset by a nonspendable fund balance designation which indicates that such amounts do not constitute "available spendable resources".

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Capital Assets

Capital assets, which include property, buildings, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 (\$5,000 for federally funded projects) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation and infrastructure acquired prior to fiscal year ended June 30, 1980 is not reported in capital assets.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets Classification	Estimated Useful Life
Buildings	50 years
Water and sewer transmission and distribution system	50 years
Service connections	20 years
Infrastructure	20 - 25 years
Land improvements	10 years
Building improvements	20 years
Golf course equipment	3 - 10 years
Furniture and fixtures	3 - 10 years
Vehicles and miscellaneous equipment	2 - 20 years

Accrued Vacation and Other Compensated Absences

The City maintains an internal service fund to account for the accumulation of resources for, and the payment of, vacation, compensatory time, holiday and sick pay. These amounts along with the associated benefit costs are fully accrued in the compensated absences fund. Departments are charged by the internal service fund when the benefits are earned and a liability incurred.

Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of material bond premium or discount. Material bond loss from issuance are reported as deferred outflows and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts and issuance costs are reported as debt service expenditures.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenditure/expense) until then. The City reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension plans as well as for the deferred loss on refundings. A deferred refunding loss results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows of resources related to pension costs and a deferred gain on refunding. A deferred pension inflow results when there is a change in total pension liability due to benefit changes, differences between expected and actual experience, changes in actuarial assumptions, or differences between expected and actual investment returns. The amount is deferred and amortized over the average expected remaining service lives of all employees. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The governmental funds report unavailable revenues from delinquent personal property taxes and long-term receivables, which arise only under a modified accrual basis of accounting, that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as *restricted - net position* and *unrestricted - net position* in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider *restricted - net position* to have been depleted before *unrestricted - net position* is applied.

Fund Balance Flow Assumption

Sometimes the City will fund outlays for particular purpose from both restricted and unrestricted resources (i.e. committed, assigned and unassigned). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Fund Balance Policies

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form (i.e. inventory or prepaid expenditures) or (b) legally or contractually required to be maintained intact (i.e. corpus of permanent funds). Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. A formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. The City reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager is authorized to assign fund balance under the current fund balance policy adopted by resolution by City Council. Unassigned fund balance is the residual classification for the general fund.

The City has established a policy to maintain a minimum unassigned fund balance for the General Fund at a level of 20% to 30% of annual expenditures. This is to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The use of fund balance is appropriate as part of a financial plan and one-time expenditures. If unassigned fund balance falls below or grows above the established policy range, the City Manager will present a financial plan, typically as part of the fiscal budgeting process, to address the deficiency or surplus of unassigned fund balance.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

State Construction Code Act

The City oversees building construction, in accordance with the State Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

A summary of the current year activity and the cumulative shortfall generated since July 1, 2001 is as follows:

Shortfall at July 1, 2015		\$ (5,180,263)
Current year building permit revenue	<u>\$ 2,566,284</u>	
Related expenses:		
Direct costs	2,020,207	
Estimated indirect costs (8%)	<u>161,617</u>	
Total construction code expenses	<u>2,181,824</u>	
Net surplus for the year ended June 30, 2016		<u>384,460</u>
Cumulative shortfall at June 30, 2016		<u>\$ (4,795,803)</u>

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Expenditures in Excess of Appropriations

As noted in the Summary of Significant Accounting Policies, the City adopts the annual three-year budget at the functional level (the legal level of budgetary control). For the year ended June 30, 2016 there have been no expenditures in excess of appropriations at the functional level.

3. DEPOSITS AND INVESTMENTS

Statutory Authority

State statutes authorize the City to make limited investments of non-pension surplus funds authorized by Michigan Public Act 20 of 1943, as amended), and may invest in the following:

- a. Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase. Not more than fifty percent of any fund may be invested in commercial paper at any time.
- d. Bankers acceptances of United States banks.
- e. Obligations of the State of Michigan or any of its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20, as amended.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Summary of Deposit and Investment Balances

The following is a reconciliation of deposit and investment balances segregated by cash and cash equivalents and investments as of June 30, 2016.

Cash and Investments	Deposits	Investments	Cash on Hand	Total
Government-wide				
Cash and equivalents	\$ 22,066,500	\$ 1,702,617	\$ 16,531	\$ 23,785,648
Investments	15,505,146	63,427,700	-	78,932,846
Fiduciary funds				
Cash and equivalents	4,802,678	7,088,673	-	11,891,351
Investments	-	245,184,094	-	245,184,094
Component units				
Cash and equivalents	624,751	-	-	624,751
Total	\$ 42,999,075	\$ 317,403,084	\$ 16,531	\$ 360,418,690

Deposit and Investment Risk

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City of Troy deposits may not be returned. State law does not require and the City's investment policy does not directly address a deposit policy for custodial credit risk. At year end, \$30,697,439 of the City of Troy's bank deposits (certificates of deposit, checking, and cash) of \$43,202,388 was exposed to custodial credit risk because they were uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments

Interest Rate Risk. Interest rate risk is the risk that the value of fixed income investments will decrease as a result of a rise in interest rates. State law limits the allowable investments and the maturities of some of the allowable investments. The City of Troy's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

At year end, the weighted average maturities of fixed income security investments are as follows:

Investment	Fair Value	Weighted Average Maturity
Government-wide		
US Government or agency bond/note	\$ 58,801,236	16.8 years
Municipal bonds	2,587,864	2.0 years
Fiduciary funds		
US Government or agency bond/note	8,504,182	12.8 years
Municipal bonds	55,991	25.0 years
Corporate bonds	14,260,275	4.8 years
Mutual Funds - fixed income	48,368,028	6.4 years

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools. The City of Troy investment policy does not have specific limits in excess of state law on investment credit risk. As of year-end, the credit quality ratings of fixed income securities are as follows:

	Primary Government	Fiduciary Funds	Total
AAA	\$ -	\$ 18,636,985	\$ 18,636,985
AA to AA-	61,389,100	6,798,029	68,187,129
A to A-	-	9,686,598	9,686,598
BBB to BBB-	-	13,222,700	13,222,700
BB to BB-	-	5,446,711	5,446,711
B to B-	-	4,626,015	4,626,015
CCC or below	-	2,714,895	2,714,895
Not rated	-	10,056,543	10,056,543
Total	\$ 61,389,100	\$ 71,188,476	\$ 132,577,576

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City of Troy will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the City of Troy does not have a policy for investment custodial credit risk. At year end none of the City's investments were subject to custodial credit risk due to one of the following:

- Investments were part of an insured pool
- Investments were book-entry only in the name of the City and were fully insured
- Investments were part of a mutual fund
- Investments were held by an agent in the City's name

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Concentration of Credit Risk. In compliance with State law, the City’s investment policy limits investments to the top two ratings issued by nationally recognized statistical rating organizations. Through its investment policy, the City places a five percent limit on the amount the City may invest in any one issuer.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the City’s investment managers. These are determined at the fund level based on a review of the investment’s class, structure, and what kind of securities are held in funds. The investment managers will request the information from the fund manager if necessary. The City had the following recurring fair value measurements as of June 30, 2016.

Investments measured at Fair Value

	Level 1	Level 2	Level 3	Total
Money markets	\$ 7,108,272	\$ 3,615,944	\$ -	\$ 10,724,216
United States government obligations	24,696,704	42,608,713	-	67,305,417
State and municipal bonds	2,643,855	-	-	2,643,855
Corporate bonds and fixed income commingled funds	61,349,503	1,450,975	-	62,800,478
Common stocks and equity mutual funds	170,600,269	-	-	170,600,269
Real estate mutual funds	3,328,849	-	-	3,328,849
Total	<u>\$ 269,727,452</u>	<u>\$ 47,675,632</u>	<u>\$ -</u>	<u>\$ 317,403,084</u>

Fund Investments - Mutual Funds & Separately Managed Accounts (SMAs)

An open-ended mutual fund, a registered investment company, produces a daily NAV that is validated with a sufficient level of observable activity (i.e., purchases and sales at NAV) to support classification of the fair value measurement as Level 1 in the fair value hierarchy. In this case, the NAV represents the exit value of the security at the measurement date.

The primary rationale to support the classification of Mutual Funds as Level 1 in the fair value hierarchy are: 1.) the investments in the funds are required to be measured at fair value (SEC regulated), 2.) the NAV is unadjusted and is in all cases the transaction price for purchases and sales (the NAV represents the exit value of the security at the measurement date), 3.) there are no restrictions on redemptions and 4.) the NAV is made publically available daily.

The City’s investment consultants also typically view SMAs as being reasonably considered Level 1 in the fair value hierarchy. The Fund Investment provides look-through capability to the underlying holdings, which can then be valued at fair market prices with strong liquidity.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Fund Investments - Commingled Funds & Trusts

Commingled Funds and Common Trust Funds do not all meet these criteria listed above for mutual funds. A fund administrator typically does not have the transparency into valuation methodology and valuation frequency of each of these pooled investment vehicles to make an accurate appraisal of whether the NAV does represent the exit value of the fund at each measurement date.

For this reason, the City's investment consultant takes a conservative approach with the default position being to consider these investments as Level 2 in the fair value hierarchy.

The net asset value (NAV) of an open-ended fund, whether a registered investment company fund, such as a mutual fund, or certain alternative investment funds, such as a hedge fund, serves as the basis for subscription and redemption transactions for investors in such funds. For investments in funds for which the underlying assets and liabilities are required to be measured at fair value, and where NAV is available, the NAV is generally the most appropriate starting point when determining the fair value measurement for an interest in such fund. However, when valuing such an investment, the holder must estimate the fair value of the interest held, which at times may be different from a value based solely on the NAV of the fund. The holder should also consider various factors including, but not limited to, the attributes of the interest held, including any restrictions or illiquidity on the disposition of the interest, and the holder's requirements to understand and accept the valuations provided by the fund (or modify them if appropriate), to determine the fair value of the interest itself. Depending on the facts and circumstances, the NAV may need to be adjusted depending upon the rights and obligations of the ownership interest and/or other factors. Furthermore, any adjustments to NAV based on unobservable inputs may result in the fair value measurement being categorized as a Level 3 measurement, if those inputs are significant to the overall fair value measurement.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

4. RECEIVABLES

Receivables, which include amounts due from other governments at June 30, 2016, are summarized as follows:

Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Delinquent personal property taxes (net)	\$ 135,601	\$ -	\$ 135,601
Billed accounts receivable	1,760,473	2,546,744	4,307,217
Unbilled accounts receivable	-	5,267,504	5,267,504
Contracts receivable	-	452,876	452,876
Special assessments	50,178	625,204	675,382
Due from U.S. Government	1,966,544	-	1,966,544
Due from State of Michigan	2,547,505	-	2,547,505
Due from Oakland County	59,307	-	59,307
Due from Downtown Development Authority	14,538,611	-	14,538,611
Accrued interest	48,807	2,686	51,493
Total	\$ 21,107,026	\$ 8,895,014	\$ 30,002,040
Amounts not expected to be collected within one year	\$ 14,165,000	\$ -	\$ 14,165,000

Component Units	Total Component Units
Downtown Development Authority delinquent personal property taxes (net)	42,910
Brownfield Redevelopment Authority revolving loan fund	412,510
Total	\$ 455,420
Amounts not expected to be collected within one year	\$ 343,250

CITY OF TROY, MICHIGAN

Notes to Financial Statements

5. CAPITAL ASSETS

The capital asset activity of the primary government's governmental and business-type activities is as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 34,717,325	\$ 3,187,854	\$ (210,597)	\$ -	\$ 37,694,582
Museum artifacts	2,084,666	-	-	-	2,084,666
Construction in progress	9,205,785	4,949,243	-	(4,002,322)	10,152,706
	<u>46,007,776</u>	<u>8,137,097</u>	<u>(210,597)</u>	<u>(4,002,322)</u>	<u>49,931,954</u>
Capital assets, being depreciated:					
Infrastructure					
Major/county/local roads	211,811,853	14,328,408	-	1,724,006	227,864,267
Local donated roads	33,551,524	-	-	-	33,551,524
Sidewalks	33,471,345	440,034	(1)	-	33,911,378
Drains	5,991,727	66,387	-	2,278,316	8,336,430
Land improvements	8,293,561	89,504	(149,214)	-	8,233,851
Buildings and improvements	90,264,046	182,394	(89,853)	-	90,356,587
Miscellaneous equipment	5,726,499	522,888	(122,739)	-	6,126,648
Office equipment	2,807,174	91,987	(230,438)	-	2,668,723
Vehicles	19,453,747	1,858,830	(1,337,206)	-	19,975,371
Library books/audio visual	9,483,741	567,885	-	-	10,051,626
	<u>420,855,217</u>	<u>18,148,317</u>	<u>(1,929,451)</u>	<u>4,002,322</u>	<u>441,076,405</u>
Less accumulated depreciation for:					
Infrastructure					
Major/county/local roads	(105,551,332)	(7,096,587)	-	-	(112,647,919)
Local donated roads	(28,776,770)	(694,917)	(1)	-	(29,471,688)
Sidewalks	(28,401,626)	(352,747)	1	-	(28,754,372)
Drains	(632,932)	(132,334)	-	-	(765,266)
Land improvements	(6,982,905)	(281,281)	149,213	-	(7,114,973)
Buildings and improvements	(56,554,298)	(3,144,629)	64,037	-	(59,634,890)
Miscellaneous equipment	(3,930,838)	(330,553)	122,739	-	(4,138,652)
Office equipment	(2,329,543)	(149,498)	230,440	-	(2,248,601)
Vehicles	(14,312,837)	(886,994)	1,337,205	-	(13,862,626)
Library books/audio visual	(7,816,712)	(502,869)	-	-	(8,319,581)
	<u>(255,289,793)</u>	<u>(13,572,409)</u>	<u>1,903,634</u>	<u>-</u>	<u>(266,958,568)</u>
Total capital assets being depreciated, net	<u>165,565,424</u>	<u>4,575,908</u>	<u>(25,817)</u>	<u>4,002,322</u>	<u>174,117,837</u>
Governmental activities capital assets, net	<u>\$ 211,573,200</u>	<u>\$ 12,713,005</u>	<u>\$ (236,414)</u>	<u>\$ -</u>	<u>\$ 224,049,791</u>

CITY OF TROY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 6,738,504	\$ -	\$ -	\$ -	\$ 6,738,504
Construction in progress	12,475,705	9,703,929	-	(2,005,851)	20,173,783
	<u>19,214,209</u>	<u>9,703,929</u>	<u>-</u>	<u>(2,005,851)</u>	<u>26,912,287</u>
Capital assets, being depreciated:					
Water and sewer transmission and distribution system	179,143,416	1,174,213	-	2,005,851	182,323,480
Service connections	750,121	-	-	-	750,121
Land improvements	8,880,257	-	(32,687)	-	8,847,570
Buildings and improvements	7,424,620	11,568	(13,359)	-	7,422,829
Miscellaneous equipment	2,050,944	326,481	(520,210)	-	1,857,215
Vehicles	827,892	-	-	-	827,892
Furniture, fixtures and other	24,500	-	-	-	24,500
	<u>199,101,750</u>	<u>1,512,262</u>	<u>(566,256)</u>	<u>2,005,851</u>	<u>202,053,607</u>
Less accumulated depreciation for:					
Water and sewer transmission and distribution system	(78,069,565)	(3,435,041)	-	-	(81,504,606)
Service connections	(750,121)	-	-	-	(750,121)
Land improvements	(3,182,837)	(218,913)	32,687	-	(3,369,063)
Buildings and improvements	(5,258,830)	(275,667)	9,225	(7,038)	(5,532,310)
Miscellaneous equipment	(1,553,064)	(100,673)	498,012	7,038	(1,148,687)
Vehicles	(412,519)	(66,240)	-	-	(478,759)
Furniture, fixtures and other	(24,500)	-	-	-	(24,500)
	<u>(89,251,436)</u>	<u>(4,096,534)</u>	<u>539,924</u>	<u>-</u>	<u>(92,808,046)</u>
Total capital assets being depreciated, net	<u>109,850,314</u>	<u>(2,584,272)</u>	<u>(26,332)</u>	<u>2,005,851</u>	<u>109,245,561</u>
Business-type activities capital assets, net	<u>\$ 129,064,523</u>	<u>\$ 7,119,657</u>	<u>\$ (26,332)</u>	<u>\$ -</u>	<u>\$ 136,157,848</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function

General government	\$ 3,285,540
Public safety	727,223
Public works	8,801,233
Community and economic development	39,616
Recreation and culture	718,797
	<u>718,797</u>

Total depreciation expense - governmental activities \$ 13,572,409

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Depreciation of business-type activities by function

Water	\$ 2,324,039
Sanitary Sewer	1,158,185
Aquatic Center	172,112
Sylvan Glen Golf Course	122,490
Sanctuary Lake Golf Course	<u>319,708</u>
 Total depreciation expense - business-type activities	 <u><u>\$ 4,096,534</u></u>

6. INTERFUND ADVANCES AND TRANSFERS

The amounts of interfund advances transfers are as follows as of June 30, 2016:

	Advanced to Other Funds	Advanced from Other Funds
General Fund	\$ 4,160,384	\$ -
Enterprise Funds		
Aquatic Center Fund	-	180,302
Sanctuary Lake Golf Course Fund	-	7,323,312
Sylvan Glen Course Fund	<u>3,343,230</u>	<u>-</u>
 Total	 <u><u>\$ 7,503,614</u></u>	 <u><u>\$ 7,503,614</u></u>

Advances represent cash flow assistance from mainly the general fund and sylvan glen golf course to meet operating and/or debt service requirements of the sanctuary lake golf course and aquatic center. The aquatic center is expected to continue to decrease the interfund advance, however, the advance to sanctuary lake golf course is not expected to be reduced in the subsequent year.

Interfund transfers reported in the fund statements are as follows as of June 30, 2016:

Transfers out	Transfers In			Totals
	General Fund	Capital Projects Fund	Nonmajor Governmental	
General	\$ -	\$ 7,410,000	\$ -	\$ 7,410,000
Nonmajor governmental funds	<u>3,709,153</u>	<u>3,575,700</u>	<u>3,528,413</u>	<u>10,813,266</u>
 Total	 <u><u>\$ 3,709,153</u></u>	 <u><u>\$ 10,985,700</u></u>	 <u><u>\$ 3,528,413</u></u>	 <u><u>\$ 18,223,266</u></u>

General Fund

Transfers to the Capital Projects Fund are for enhanced road improvements for major and local streets (\$6,200,000), partial funding for the rebuilding of fire station #4 (\$625,000) and funding for pumper truck #4 (\$585,000).

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Nonmajor Governmental Funds

The General Fund is responsible for major, local and county street maintenance and snow removal. Funding sources for these services includes Major and Local Street Fund transfers to the General Fund in the amount of \$2,147,952 and \$1,561,201 respectively. In addition, the General Fund receives funding from Oakland County for county street snow removal. The Capital Projects fund is responsible for all governmental activity type capital projects with the exception of internal service funds. Funding sources include Major and Local Street Fund transfers to the Capital Projects Fund in the amount of \$1,700,000 and \$1,000,000, respectively, representing partial funding for capital street improvements. In addition, the Library Fund transferred \$748,970 to the Capital Projects Fund for Library capital purchases including collections. The CDBG Fund transferred to the Capital Projects Fund \$126,730 for federal qualified expenditures for Redwood Park improvements. Major Street Fund transfer to the Local Streets fund of \$500,000 represents allowable redirection of state funding. General Debt Service Fund transfers to Proposal A, B, and C debt service funds in the amount of \$3,028,413 are for principal and interest payments on outstanding debt.

7. LEASE OBLIGATIONS

A. Operating Lease

The City leases copy machines and telephones which are being treated as operating leases. The leases have various terms of three to four years and the future minimum lease payments remaining on these leases are as follows:

Year Ended June 30,	Amount
2017	\$ 45,596
2018	40,917
2019	28,168
2020	5,045

Lease costs for the year ended June 30, 2016, were \$40,551.

B. Capital Lease

The City entered into a lease agreement as lessee for financing the acquisition of golf carts for both Sylvan Glenn and Sanctuary Lake Golf Courses in March 2013. The equipment was valued at \$499,876 with a five (5) year useful life. This year, \$49,988 was included in depreciation expense and total accumulated depreciation was \$154,128. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016, were as follows:

	Year Ended June 30,	Amount
	2017	\$ 107,650
	2018	71,766
Total minimum lease payments		179,416
Less: amount representing interest		(4,684)
Present value of minimum lease payments		<u>\$ 174,732</u>

8. LONG-TERM LIABILITIES

Primary Government

The following is a summary of long-term liability transactions of the City for the year ended June 30, 2016:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Primary Government					
Governmental Activities					
General obligation bonds					
Proposal A - streets	\$ 4,840,000	\$ -	\$ (730,000)	\$ 4,110,000	\$ 745,000
Proposal B - public safety	6,800,000	-	(1,130,000)	5,670,000	1,150,000
Proposal C - community ctr.	3,690,000	-	(580,000)	3,110,000	595,000
City Refunding - Series 2013 DDA	14,685,000	-	(260,000)	14,425,000	260,000
Public drains	2,026,608	-	(222,716)	1,803,892	228,788
Total debt obligations	32,041,608	-	(2,922,716)	29,118,892	2,978,788
Unamortized premiums/(discounts)	666,495	-	(35,079)	631,416	-
Accrued compensated absences	3,914,810	4,158,182	(3,733,142)	4,339,850	2,425,505
Estimated self-insurance claims	634,772	8,271,522	(7,967,190)	939,104	446,017
Total governmental activities	\$ 37,257,685	\$ 12,429,704	\$ (14,658,127)	\$ 35,029,262	\$ 5,850,310
Business-type Activities					
General obligation bonds					
Golf course series 2012	\$ 9,655,000	\$ -	\$ (645,000)	\$ 9,010,000	\$ 635,000
Capital lease					
Golf cart lease-Sanctuary Lake	137,796	-	(50,430)	87,366	51,912
Golf cart lease-Sylvan Glen	137,796	-	(50,430)	87,366	51,912
Unamortized premiums/(discounts)	162,069	-	(12,467)	149,602	-
Total business-type activities	\$ 10,092,661	\$ -	\$ (758,327)	\$ 9,334,334	\$ 738,824
Total primary government	\$ 47,350,346	\$ 12,429,704	\$ (15,416,454)	\$ 44,363,596	\$ 6,589,134

Compensated absences are liquidated through the Internal Service Fund and incurred but not reported insurance claims are generally liquidated through the General Fund.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Debt issues outstanding are as follows:

	Maturity Date	Original Issue	Interest Rate	Amount Outstanding
Primary Government				
Governmental Activities				
General obligation bonds				
Proposal A - streets/streetscape				
2008 Refunding of series 2000	2021	\$ 3,505,000	3.0-4.0%	\$ 1,585,000
2010 Refunding of series 2001	2021	4,515,000	2.0-5.0%	2,525,000
Proposal B - public safety/city hall				
2010 Refunding of series 2001	2021	835,000	2.0-5.0%	480,000
2010 Refunding of series 2003	2021	9,110,000	2.0-5.0%	5,190,000
Proposal C - community center				
2010 Refunding of series 2001	2021	5,910,000	2.0-5.0%	3,110,000
Series 2013 - DDA Refunding	2034	14,945,000	2.0-5.25%	14,425,000
County drain bond contracts				
GWK Series 2000A	2022	457,372	2.50%	161,666
GWK Series 2001C	2024	2,102,682	2.50%	967,054
GWK Series 2001D	2024	81,089	2.50%	25,520
GWK Series 2005	2026	41,440	1.63%	21,026
GWK Series 2007	2024	318,728	2.55%	194,025
GWK Series 2007G	2028	46,242	1.63%	28,953
GWK Series 2008H	2029	196,953	2.50%	137,966
North Arm Series 1998	2021	926,972	2.25%	267,682
Total governmental activities		\$ 42,991,478		\$ 29,118,892
Business-type Activities				
General obligation bonds				
Golf course series 2012	2028	9,655,000	1.5-3.0%	9,010,000
Total business-type activities		\$ 9,655,000	3.25-5.0%	\$ 9,010,000
Total primary government		\$ 52,646,478		\$ 38,128,892

CITY OF TROY, MICHIGAN

Notes to Financial Statements

The annual debt requirements to maturity for all long-term debts outstanding as of June 30, 2016, exclusive of earned but unpaid sick pay, insurance claims, capital leases and premiums are as follows:

Year Ending June 30,	Primary Government					Total
	Governmental Activities		Business-type Activities			
	Principal	Interest	Principal	Interest		
2017	\$ 2,978,788	\$ 1,213,004	\$ 635,000	\$ 220,025	\$ 5,046,817	
2018	2,909,269	1,098,929	630,000	201,050	4,839,248	
2019	3,094,959	978,747	725,000	184,350	4,983,056	
2020	3,136,159	846,548	715,000	169,950	4,867,657	
2021	3,385,977	712,742	700,000	155,800	4,954,519	
2022	641,424	633,778	685,000	140,238	2,100,440	
2023	664,082	604,740	770,000	122,050	2,160,872	
2024	766,837	572,865	755,000	102,988	2,197,690	
2025	761,111	538,533	840,000	83,050	2,222,694	
2026	916,477	500,773	820,000	62,300	2,299,550	
2027	989,551	453,529	850,000	39,300	2,332,380	
2028	1,264,531	403,813	885,000	13,275	2,566,619	
2029	1,259,727	352,781	-	-	1,612,508	
2030	1,250,000	294,188	-	-	1,544,188	
2031	1,275,000	227,906	-	-	1,502,906	
2032	1,275,000	160,969	-	-	1,435,969	
2033	1,275,000	94,031	-	-	1,369,031	
2034	1,275,000	30,273	-	-	1,305,273	
Total	\$ 29,118,892	\$ 9,718,149	\$ 9,010,000	\$ 1,494,376	\$ 49,341,417	

It is the intent of the City that all payments relating to primary government obligations will be made from revenues generated from operations of the respective funds. The City has pledged its full faith and credit for the debt if revenues are insufficient to meet the obligations of all general obligation bonds.

Component Units

The following is a summary of long-term liability transactions of the City's component units for the year ended June 30, 2016:

Component Units	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Downtown Development Auth.					
Obligated tax captures					
City G.O. bonds - Series 2013	14,685,000	-	(260,000)	14,425,000	260,000
Total component units	\$ 14,685,000	\$ -	\$ (260,000)	\$ 14,425,000	\$ 260,000

The Troy Downtown Development Authority (TDDA) has pledged future tax captures to reimburse the city for principal and interest payments for debt issued by the city in the Series 2013 general obligation bonds to refinance TDDA general obligation debt.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Component unit debt issues outstanding are as follows:

Component Units	Maturity Date	Original Issue	Interest Rate	Amount Outstanding
Downtown Development Authority				
Obligated tax capture:				
City issued Series 2013 DDA refinancing debt	2034	\$ 14,945,000	2.0-5.25%	\$ 14,425,000

The annual debt requirements to maturity for all component unit long-term obligations as of June 30, 2016 are as follows:

Component Units Downtown Development Authority			
Year Ending June 30,	Principal	Interest	Total
2017	\$ 260,000	\$ 681,663	\$ 941,663
2018	260,000	671,263	931,263
2019	260,000	663,463	923,463
2020	260,000	654,363	914,363
2021	375,000	638,488	1,013,488
2022	440,000	618,113	1,058,113
2023	500,000	594,613	1,094,613
2024	600,000	567,113	1,167,113
2025	745,000	537,213	1,282,213
2026	900,000	499,813	1,399,813
2027	975,000	452,939	1,427,939
2028	1,250,000	403,563	1,653,563
2029	1,250,000	352,781	1,602,781
2030	1,250,000	294,188	1,544,188
2031	1,275,000	227,906	1,502,906
2032	1,275,000	160,969	1,435,969
2033	1,275,000	94,031	1,369,031
2034	1,275,000	30,273	1,305,273
	<u>\$ 14,425,000</u>	<u>\$ 8,142,755</u>	<u>\$ 22,567,755</u>

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Advance Refunding/Defeased Debt

The City had no advance refundings during the 2015 fiscal year. Prior years refundings have exercised the callable components of the respective original issuance. Accordingly, there are no amounts defeased at the end of the 2015 fiscal year.

9. NET POSITION/FUND BALANCE CLASSIFICATIONS

Net Position

Net position has been restricted for (a) debt service, based upon bond indenture agreements and the City's understanding that bond proceeds generated by these funds are only to be spent on specified construction or the retirement of related debt, (b) replacements and extensions based upon bond indenture agreements or the limited purpose for which a fund was established, and (c) capital assets net of any outstanding debt.

Restricted for Pension and Other Employee Benefits

The related amount restricted in the Fiduciary Fund reserve is largely comprised of equity recorded in the pension trust fund. In addition, equity is set aside to pay for sick pay and vacation pay in the internal service funds.

Fund Balance

As noted in Note 1 - "*Summary of Significant Accounting Policies*", The City classifies fund balance by level of constraints imposed on resources by either external or internal factors or the form in which the resources exist.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

The following is a summary of these constraints on fund balances:

	General Fund	Capital Projects Fund	Nonmajor Funds	Total
Nonspendable				
Inventory & prepaids	\$ 1,508,906	\$ -	\$ 35,100	\$ 1,544,006
Permanent fund corpus	-	-	161,800	161,800
Advance to Sanctuary Lake golf course	3,980,082	-	-	3,980,082
Advance to Aquatic Center	180,302	-	-	180,302
Total nonspendable	5,669,290	-	196,900	5,866,190
Restricted				
Special revenue funding source restrictions				
Highways and streets	-	-	6,673,362	6,673,362
Sanitation	-	-	985,959	985,959
Library	-	-	1,431,056	1,431,056
Other	-	-	816,348	816,348
Debt funding source restrictions	-	-	1,332,372	1,332,372
Budget stabilization	1,563,203	-	-	1,563,203
Capital improvements	-	7,919,625	-	7,919,625
Dog park development	-	170,910	-	170,910
Federal transportation	-	180,488	-	180,488
Total restricted	1,563,203	8,271,023	11,239,097	21,073,323
Committed				
Construction projects	-	2,720,822	-	2,720,822
Assigned				
Insurance claims	3,000,000	-	-	3,000,000
Tax appeals	55,000	-	-	55,000
Subsequent years budget	2,257,270	-	-	2,257,270
Total assigned	5,312,270	-	-	5,312,270
Unassigned	20,062,397	-	-	20,062,397
Total fund balances	\$ 32,607,160	\$ 10,991,845	\$ 11,435,997	\$ 55,035,002

CITY OF TROY, MICHIGAN

Notes to Financial Statements

10. RISK MANAGEMENT

The City has entered into a Public Entity Risk Pool with other Michigan units of government as an individual member for its general liability, property damage insurance including auto and public officials liability and contractors equipment. The City's maximum deductible for property coverage is \$1,000 per occurrence. The liability maximum self-insured retention is \$500,000 per occurrence with an aggregate stop loss of \$1,000,000 per policy year for both property and liability.

The City accounts for transactions related to these risks in accordance with GASB No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which states that a liability for claims must be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

No settlements have exceeded insurance coverage during the last three years. The City has made no significant reductions in insurance coverage during the year. The City has received no indication that any significant losses exist at June 30, 2016.

The following are the changes in Incurred But Not Reported (IBNR) estimates:

Year Ending June 30,	Beginning Balance	Additions	Deductions	Ending Balance
2014	\$ 1,042,291	\$ 6,155,026	\$ (6,185,042)	\$ 1,012,275
2015	1,012,275	8,240,546	(8,618,049)	634,772
2016	634,772	8,271,522	(7,967,190)	939,104

The City has also entered into a public entity risk pool with other Michigan units of government for its workers compensation insurance.

11. LITIGATION AND CONTINGENT LIABILITIES

Litigation

The City is a defendant to various claims, legal actions and complaints arising in the ordinary course of business. The City of Troy denies the allegations and plans a vigorous defense. In the opinion of legal counsel, all such matters as indicated above are adequately covered by insurance, or if not so covered, are without merit or of such kind, or involve such amounts that an unfavorable disposition would not have a material effect on the financial position of the City.

Tax Appeals to the Michigan Tax Tribunal

The City has a minimal amount of outstanding property tax assessment appeals totaling approximately \$1,222,080 in contended taxable values to the Michigan Tax Tribunal. If the City is not successful with a portion of these appeals, the City of Troy's share of the tax to be refunded would be the levied rate (approximately \$10 per thousand of assessed value) plus interest. The amount of refund (if any) cannot be determined as of June 30, 2016.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

12. PROPERTY TAXES

Property taxes are recorded on the modified accrual basis of accounting and are levied, and become a lien on July 1st on the taxable valuation of the property located within its boundaries as of the preceding December 31st. Taxable value is determined by the prior year's taxable value plus 5% or the Consumer Price Index whichever is less, starting with the 1994 state equalized value as the base taxable value. Assessed values are equalized by the State, to closely approximate fifty percent of estimated current market value. The final taxable value of real and personal property subject to property tax within the City for the fiscal 2015-2016 levy was \$4,406,309,498. The City's operating tax rate was 6.50 mills for the same year with additional mills of 1.07 for refuse removal and disposal, 0.70 for library operations, 0.7 for debt service, and 1.53 for capital preservation and improvements.

In addition to collecting their own taxes, the City also acts as collection agent for all overlapping governments and school districts within its boundaries, which includes seven school districts, two intermediate school districts, a community college, and Oakland County.

City taxes are received in one installment, collectible from July 1st to September 1st. Any real property taxes not paid by March 1st, following the due date, are reimbursed by the County. The County Treasurer takes over collection responsibility at that date, as well as delinquent personal property taxes.

The City is occasionally ordered by the Michigan Tax Tribunal to refund taxes already collected and recorded into revenue. It is, therefore, the City's policy to compensate for doubtful accounts, as well as refunds of taxes already collected through use of an allowance for doubtful taxes receivable and as assigned general fund balance.

13. EMPLOYEE RETIREMENT SYSTEM AND PLAN

Summary of Significant Accounting Policies

The employee retirement system financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method used to value investments. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

Plan Administration. The City of Troy Employee Retirement System (TERS), under the authorization of the City Code chapter 10, administers the city's employee pension plan covering all full-time general and public safety employees of the city. The single-employer defined benefit plan provides retirement benefits based on credited service time and average compensation with death and disability benefits, and under some circumstances, payments to dependents.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Management of the pension plan is vested in the TERS Board, which consists of seven voting members and one non-voting ex-officio member. Two of the voting members are designated by their position which includes the City Manager and City Director of Financial Services. Three of the voting members are elected by plan members. One voting member of City Council as selected by the Council and one voting citizen, who is an elector of the city and who is not a member of the system and who is not a member of City Council as appointed by City Council. Of the five employee members, two must be members of the defined benefit plan.

Plan Membership. At December 31, 2015 pension plan membership consisted of the following:

Group	Members
Retirees and beneficiaries currently receiving benefits	323
Vested terminated employees	9
Active employees	57
Total members	389

The defined benefit pension plan is closed to new members.

Benefits Provided. The pension plan provides retirement, disability and death benefits.

General plan members. Retirement benefits are calculated as 2.25% of the average of the member's best 3-year eligible wages over the last ten years times the member's years, and fractions thereof, of service. Members between the ages of 50 and 62 will receive an additional benefit equal to the amount if the calculation used a multiplier .25% greater. A member who has 27 or more years of service may retire on or after attainment of age 50. A member who has 25 years of service may retire on or after attainment of age 55. Members of the Troy Fire Staff Officers Association may retire at any age with 25 years of service.

General plan members are eligible for non-duty disability benefits after 10 years of service (AFSCME and MAP members 5 years of service) and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately and shall not be less than the amount it would be if they had attained 10 years of credited service.

General plan member widows and dependent children are eligible for non-duty death benefits if the member has 10 or more years of credited service. Benefits are calculated as if the member retired the preceding day of death using the pension calculation above. Duty death benefits are calculated in the same manner as non-duty death benefits with the exception that pension benefits cannot be less than 25% of the members final average compensation. Duty death benefits for members of the Troy Fire Staff Officers Association cannot be less than 50% of the members final average compensation.

Public safety members which includes Troy Police Officers Association and Troy Command Officers Association. Retirement benefits are calculated as 2.8% for the first 25 years and 1% per year thereafter of the average of the member's best 3-year eligible wages over the last ten years times the member's years, and fractions thereof, of service. The pension benefit is capped at 75% of final average compensation. A member may retire at any age with 25 or more years of service.

Public safety members are eligible for non-duty disability benefits after 5 years of service and for duty-related disability benefits upon hire. Non-duty disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately and shall not be less than the amount it would be if they had attained 10 years of credited service. Duty disability benefits shall not be less than two-thirds of final average compensation during the period they are in receipt of worker's compensation.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Public safety members' widows and dependent children are eligible for non-duty death benefits if the member has 10 or more years of credited service. Benefits are calculated as if the member retired the preceding day of death using the pension calculation above. Duty death benefits are calculated in the same manner as non-duty death benefits with the exception that pension benefits cannot be less than 50% of the members final average compensation.

Contributions. Employee contributions for classified and exempt employees is 5% of eligible wages. Members of collective bargaining groups contribution are directed by contract. The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended June 30, 2016, the average active member contribution rate was 3.5% of eligible wages, and the City's average contribution rate was 7% of annual eligible wages.

Investments

Investment allocation policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TERS Board by a majority vote of its members. It is the policy of the TERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Long-term expected rate of return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return	Inflation Expectations	Long-Term Real Rate of Return
Global equities <i>(Domestic 40% and International 19%)</i>	59%	6.4%	2.0%	8.4%
Fixed income	29%	1.1%	2.0%	3.1%
Real estate	7%	6.3%	2.0%	8.3%
Cash	5%	-1.0%	2.0%	1.0%
Total/Weighted Average	100%	4.5%	2.0%	6.5%

Rate of return. For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was (0.23)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The long-term rate of return is estimated at 6.5%

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Net Pension Liability - Employee Retirement System

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balance at June 30, 2015	\$ 162,688,755	\$ 186,416,890	\$ (23,728,135)
Service costs	993,515	-	993,515
Interest on total pension liability	10,251,205	-	10,251,205
Changes in benefit terms	(10,477)	-	(10,477)
Difference between expected and actual experience of total liability	(1,118,247)	-	(1,118,247)
Changes of assumptions	-	-	-
Contributions - employer	-	314,025	(314,025)
Contributions - employee	-	166,434	(166,434)
Net investment income (loss)	-	(330,035)	330,035
Benefit payments including refunds	(11,108,572)	(11,108,572)	-
Administrative expense	-	(133,867)	133,867
Other expense	-	-	-
Net changes	(992,576)	(11,092,015)	10,099,439
Balance at June 30, 2016	<u>\$ 161,696,179</u>	<u>\$ 175,324,875</u>	<u>\$ (13,628,696)</u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2015 with a measurement and reporting date of June 30, 2016. The following actuarial assumptions were applied to all periods included in the measurement:

Actuarial cost method	Entry-age
Inflation	3.0%
Salary increases (including inflation)	3.5% to 7.5%
Investment rate of return	6.5%
Mortality rates	RP-2014 combined health mortality tables

Single discount rate. A single discount rate of 6.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on investments of 6.5%. The projection of cash flows used to determine this single discount rate assumed that member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on the Retirement System's investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability, calculated using a single discount rate of 6.5%, as well as what the net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
City net pension liability (asset)	\$ 3,880,551	\$ (13,628,696)	\$ (28,424,506)

VOLUNTEER FIREFIGHTER INCENTIVE PLAN (VFIP)

Summary of Significant Accounting Policies

The volunteer firefighter incentive plan financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. No volunteer firefighter contributions are required. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method used to value investments. Investments are reported at fair value.

Plan Description

The City of Troy has a noncontributory incentive plan and trust established by resolution of the City Council covering its volunteer firefighters. The single-employer plan benefits are determined based on annual contribution amounts for each year of incentive service. The normal cost and amortization payment for the year ended June 30, 2016 was determined using an individual entry age funding method. Management of the plan resides with the City Manager.

Plan Membership. At December 31, 2015 volunteer firefighter incentive plan membership consisted of the following:

Group	Members
Volunteers and beneficiaries currently receiving benefits	82
Inactive, nonretired members	26
Members on leave of absence	12
Active volunteers	133
Total members	<u>253</u>

Benefits provided. At July 1, 2015, the benefit payment was \$681 per year for incentive service. Participants are eligible for payments at age 55 with ten or more years of volunteer service, age 50 with 25 years of volunteer service or any age with 30 years or more of volunteer service.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

The City Council has established by resolution increases to the benefit payment amount per year as follows:

Fiscal Year Beginning July 1,	Benefit Amount Per Year of Service
2014	\$642
2015	681
2016	724
2017	769

Contributions. The City makes contributions to the plan through actuarially determined and recommended amounts by an independent actuary. Funding is established through City Council resolution during the budget process. The City's contribution to the plan for the year ended June 30, 2016 was \$1,100,632 and the actuarially determined required contribution was \$1,100,632. The volunteer firefighters are not paid any remuneration for their service.

Investments

Investment allocation policy. The VFIP plan's policy in regard to the allocation of invested assets is currently established by city management until the formal VFIP Board is established. The plan may be amended by the VFIP Board by a majority vote of its members. It is the policy of the VFIP Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Asset Class	Target Allocation	Long-Term Expected Rate of Return	Inflation Expectations	Long-Term Real Rate of Return
Global equities <i>(Domestic 40% and International 19%)</i>	59%	6.4%	2.0%	8.4%
Fixed income	29%	1.1%	2.0%	3.1%
Real estate	7%	6.3%	2.0%	8.3%
Cash	5%	-1.0%	2.0%	1.0%
Total	100%	4.5%	2.0%	6.5%

Rate of return. For the year ended June 30, 2016, the annual money-weighted rate of return on volunteer firefighter incentive plan investments, net of investment expenses was 1.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The long-term estimated rate of return is 6.5%

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Net Volunteer Firefighter Incentive Plan Liability

Changes in Net Plan Liability	Increase (Decrease)		
	Total Plan Liability	Plan Net Position	Net Plan Liability
Balance at June 30, 2015	\$ 17,288,425	\$ 7,523,121	\$ 9,765,304
Service costs	464,863	-	464,863
Interest on total pension liability	1,077,246	-	1,077,246
Difference between expected and actual experience of total liability	(93,449)	-	(93,449)
Changes of assumptions	424,977	-	424,977
Contributions - employer	-	1,100,632	(1,100,632)
Net investment income	-	152,770	(152,770)
Benefit payments including refunds	(1,166,059)	(1,166,059)	-
Other expense	-	(14,428)	14,428
Net changes	707,578	72,915	634,663
Balance at June 30, 2016	<u>\$ 17,996,003</u>	<u>\$ 7,596,036</u>	<u>\$ 10,399,967</u>

Actuarial assumptions. The total plan liability was determined by an actuarial valuation as of December 31, 2015 with a measurement and reporting date of June 30, 2016. The following actuarial assumptions were applied to all periods included in the measurement.

Actuarial cost method	Entry age
Remaining amortization period	25 years
Inflation	N/A
Investment rate of return	6.5%
Mortality rates	RP-2014 combined health mortality tables

Single discount rate. A single discount rate of 6.28% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on investments of 6.5% and a municipal bond rate of 2.85%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2070. As a result, the long-term expected rate of return on plan investments was applied to projected benefit payments through the year 2070, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability, calculated using a single discount rate of 6.28%, as well as what the net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease 5.28%	Current Discount Rate 6.28%	1% Increase 7.28%
City net VFIP plan liability	\$ 13,242,144	\$ 10,399,967	\$ 8,099,340

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Statements of Fiduciary Net Position

	Employees' Retirement System			Volunteer Firefighter Incentive Plan	Total
	Pension	Healthcare	Total Employees' Retirement		
Assets					
Cash	\$ 3,800,475	\$ -	\$ 3,800,475	\$ 2,988,762	\$ 6,789,237
Interest receivable	28,216	-	28,216	-	28,216
Investments, at fair value:					
U.S. Government securities	3,952,099	-	3,952,099	4,552,083	8,504,182
Municipal securities	-	-	-	55,991	55,991
Corporate bonds	3,136,064	-	3,136,064	-	3,136,064
Corporate equities	89,875,490	-	89,875,490	-	89,875,490
Mutual funds	49,054,543	12,351,801	61,406,344	-	61,406,344
Exchange traded funds	25,604,990	-	25,604,990	-	25,604,990
Total assets	175,451,877	12,351,801	187,803,678	7,596,836	195,400,514
Liabilities					
Accounts payable	56,455	-	56,455	800	57,255
Accrued liabilities	70,547	-	70,547	-	70,547
Total liabilities	127,002	-	127,002	800	127,802
Net position					
Restricted for:					
Pension benefits	175,324,875	-	175,324,875	7,596,036	182,920,911
Postemployment healthcare	-	12,351,801	12,351,801	-	12,351,801
Total net position	\$ 175,324,875	\$ 12,351,801	\$ 187,676,676	\$ 7,596,036	\$ 195,272,712

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Statements of Changes in Fiduciary Net Position

	Employees' Retirement System			Volunteer Firefighter Incentive Plan	Total
	Pension	Healthcare	Total Employees' Retirement		
Additions					
Contributions:					
Employer	\$ 314,025	\$ -	\$ 314,025	\$ 1,100,632	\$ 1,414,657
Plan members	166,434	-	166,434	-	166,434
Total contributions	480,459	-	480,459	1,100,632	1,581,091
Investment income:					
Interest	294,890	72,555	367,445	126,364	493,809
Dividends	5,439,820	-	5,439,820	2,085	5,441,905
Other income	84,967	-	84,967	-	84,967
Net adjustment in fair value	(5,733,980)	-	(5,733,980)	24,321	(5,709,659)
Total investment earnings	85,697	72,555	158,252	152,770	311,022
Less investment expense	415,732	-	415,732	-	415,732
Net investment earnings	(330,035)	72,555	(257,480)	152,770	(104,710)
Total additions	150,424	72,555	222,979	1,253,402	1,476,381
Deductions					
Benefit payments	11,108,572	4,463,557	15,572,129	1,166,059	16,738,188
Administrative expenses	133,867	-	133,867	14,428	148,295
Total deductions	11,242,439	4,463,557	15,705,996	1,180,487	16,886,483
Change in net position	(11,092,015)	(4,391,002)	(15,483,017)	72,915	(15,410,102)
Restricted net position, beginning					
Pension benefits	186,416,890	-	186,416,890	7,523,121	193,940,011
Retiree healthcare benefits	-	16,742,803	16,742,803	-	16,742,803
Total restricted, beginning	186,416,890	16,742,803	203,159,693	7,523,121	210,682,814
Restricted net position, ending					
Pension benefits	175,324,875	-	175,324,875	7,596,036	182,920,911
Retiree healthcare benefits	-	12,351,801	12,351,801	-	12,351,801
Total restricted, ending	\$ 175,324,875	\$ 12,351,801	187,676,676	\$ 7,596,036	\$ 195,272,712

CITY OF TROY, MICHIGAN

Notes to Financial Statements

COMBINED CHANGES IN NET PENSION/VFIP PLAN LIABILITY AND DEFERRED OUTFLOWS

Combined Net Liability

Changes in Net Pension/VFIP Liability	Increase (Decrease)		
	Employee Retirement System Net Pension Liability (asset)	Volunteer Firefighter Incentive Plan Net Plan Liability	Total Net Liability (asset)
Balance at June 30, 2015	\$ (23,728,135)	\$ 9,765,304	\$ (13,962,831)
Service costs	993,515	464,863	1,458,378
Interest on total pension liability	10,251,205	1,077,246	11,328,451
Benefit changes	(10,477)	-	(10,477)
Difference between expected and actual experience of total liability	(1,118,247)	(93,449)	(1,211,696)
Changes of assumptions	-	424,977	424,977
Contributions - employer	(314,025)	(1,100,632)	(1,414,657)
Contributions - employee	(166,434)	-	(166,434)
Net investment income	330,035	(152,770)	177,265
Benefit payments including refunds	-	-	-
Administrative expense	133,867	-	133,867
Other expense	-	14,428	14,428
Net changes	10,099,439	634,663	10,734,102
Balance at June 30, 2016	<u>\$ (13,628,696)</u>	<u>\$ 10,399,967</u>	<u>\$ (3,228,729)</u>

Combined Deferred Outflows/Inflows of Resources

For the year ended June 30, 2016, the City recognized total employee retirement system pension expense of \$2,600,576 and total volunteer firefighter incentive plan expense of \$1,295,328. The City deferred outflows/inflows of resources related to these systems from the following sources:

	Deferred Outflow of Resources		
	Employee Retirement System	Volunteer Firefighter Incentive Plan	Total Deferred Outflows
Difference between expected and actual experience	\$ -	\$ 198,294	\$ 198,294
Changes in assumptions	-	457,144	457,144
Net difference between projected and actual earnings on investments	13,111,948	455,717	13,567,665
Total deferred outflows	<u>\$ 13,111,948</u>	<u>\$ 1,111,155</u>	<u>\$ 14,223,103</u>

CITY OF TROY, MICHIGAN

Notes to Financial Statements

	Deferred Inflow of Resources		
	Employee Retirement System	Volunteer Firefighter Incentive Plan	Total Deferred Inflows
Difference between expected and actual experience	\$ -	\$ 81,033	\$ 81,033

Amounts reported as deferred outflows/inflows of resources related to the Employee Retirement System and the Volunteer Firefighter Incentive Plan will be recognized in expense as follows:

	Net Deferred Outflow/Inflow Recognition		
	Employee Retirement System	Volunteer Firefighter Incentive Plan	Total Deferred Outflow/Inflow
Fiscal Year Ending June 30,			
2017	\$ 3,567,794	\$ 226,025	\$ 3,793,819
2018	3,567,794	226,025	3,793,819
2019	3,567,792	226,027	3,793,819
2020	2,408,568	163,096	2,571,664
2021	-	96,364	96,364
Thereafter	-	92,585	92,585
	<u>\$ 13,111,948</u>	<u>\$ 1,030,122</u>	<u>\$ 14,142,070</u>

14. DEFINED CONTRIBUTION PLAN

The City maintains a defined contribution plan (DCP) administered by the International City Manager's Association Retirement Corporation (ICMARC), which qualifies under the Internal Revenue Code Section 401(a). Classified, Exempt and Fire Staff Officers in the City's Employees Retirement System were given the option to transfer to the DCP by December 31, 1997. Employees who elected to transfer to the DCP had their individually actuarially determined earned retirement benefits in the Employees Retirement System determined as of the date of election to transfer to the DCP. In 1998, the City afforded the option to AFSCME members of the Employees Retirement System to elect a transfer to the DCP, of which 41 employees elected such transfer. In 1999, the City afforded the option to MAP members of the Employees Retirement System to elect a transfer to the DCP, of which 29 employees elected such transfer. In 2000, the City afforded the option to TCOA members of the Employees Retirement System to elect a transfer to the DCP, of which 20 employees elected such transfer. In 2002, the City afforded the option to TPOA members of the Employees Retirement System to elect a transfer to the DCP of which 19 employees elected such transfer. The DCP is also in effect for all new full-time employees. Total membership in the DCP as of June 30, 2016 was 289.

The DCP maintains a schedule of vesting as follows: participants who transferred from the Employees Retirement System are fully vested. For new hires the following schedule applies: 50% vested after 3 years, 75% vested after 4 years and 100% vested after 5 years. Employees contribute 3 to 6 percent of their salary, while the employer contributes 8 to 13 percent. All employees are able to contribute up to 10 percent of their salary on a voluntary after-tax basis. All contributions are remitted to a third-party plan administrator.

The DCP was established by City Council resolution and any amendments to the plan would require City Council approval.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

The City's payroll for employees covered by the DCP for the year ended June 30, 2016, was \$19,468,646. The required contributions, which matched those actually made, were \$908,174 by employees and \$2,040,066 by the City, representing 4.7 percent and 10.5 percent of covered payroll, respectively.

15. RETIREE HEALTH CARE TRUST FUND

Plan Description

The City provides certain healthcare benefits for retired employees in accordance with the bargaining group agreements and other requirements. There are 227 members from the ranks of the City's active full-time employees that may become eligible for those benefits and 334 retired members currently receiving benefits. The City's contribution for healthcare benefits is accounted for in the Retiree Health Care Trust Fund. The employer's contribution was \$4,793,327, or 27.09% of covered payroll totaling \$17,694,889. In addition, the City received \$108,437 in retiree drug subsidy reimbursements through Medicare Part D which were contributed back to the plan. During the current year, healthcare benefits paid totaled \$4,463,557, which was paid out of the Employees Retirement System. It should be noted that although healthcare benefits are paid out of another fund, they do not qualify as required contributions, as healthcare assets in the Employees Retirement System are considered when actuarially determining required contributions. Future payments will be made by the Employees Retirement System until the reserves that have accumulated there are exhausted.

This is a single employee defined benefit plan administered by the City. The Plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through employer contributions.

Funding Policy

For current employees not covered by the Retiree Health Savings Account Plan, the City includes retirees and their spouses in its healthcare plan, with no contribution required by participants if they retire with 25 or more years of service. If under 25 years of service, the City contributes 4% per year of service, or \$400 per month, whichever is greater. Beginning July 1, 2014 AFSCME, MAP, TFOA and TCSA members along with new members to the TCOA will accrue 3% per year of service up to a maximum of 90% of covered health insurance premiums.

Funding Progress

For the year ended June 30, 2016, the City has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2014. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

The valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (based on % of payroll)	\$ 4,919,179
Interest on net OPEB asset - 6.5%	(182,903)
Actuary adjust. to annual required contribution (12.4%)	<u>227,362</u>
Annual OPEB cost (expense)	4,963,638
Contributions made	<u>(4,793,327)</u>
Decrease/(Increase) in net OPEB asset	170,311
Net OPEB (asset), beginning of year	<u>(2,813,891)</u>
Net OPEB (asset), end of year	<u><u>\$ (2,643,580)</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows (dollar amounts in thousands):

Three-Year Trend Information			
Fiscal Year Ended June 30,	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
2014	\$ 4,693	99%	\$ (2,881)
2015	4,701	97%	(2,814)
2016	4,964	97%	(2,644)

Actuarial Methods and Assumptions

In the December 31, 2014 actuarial valuation, the individual entry age normal actuarial cost method was used. The actuarial assumptions include an assumed rate of return of 6.5% and projected salary increases of 3.5%-8.0%. An annual healthcare cost trend of 9.0% was used in fiscal year 2015 decreasing to 3.5% by 2024 and later. The unfunded actuarial accrued liability (UAAL) is being amortized on a level dollar closed plan basis. The remaining amortization period as of December 31, 2014 was 24 years.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of the benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF TROY, MICHIGAN

Notes to Financial Statements

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the Plan was 59.8% funded. The actuarial accrued liability for benefits was \$114,427,000, and the actuarial value of assets was \$68,440,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$45,987,000. The covered payroll (annual payroll for active employee covered by the Plan) was \$19,614,000 and the ratio for the UAAL to the covered payroll was 234.5%.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Statement of Net Position

	Retiree Health Care Trust Fund
Assets	
Cash	\$ 747,194
Interest receivable	77,459
Investments, at fair value:	
Corporate bonds	11,124,211
Corporate equities	8,516,516
Mutual funds	25,844,339
Exchange traded funds	11,115,967
Total assets	<u>57,425,686</u>
Net position	
Restricted for postemployment healthcare benefits	<u>\$ 57,425,686</u>

Statement of Changes in Fund Net Position

	Retiree Health Care Trust Fund
Additions	
Contributions:	
Employer	\$ 4,901,764
Investment earnings:	
Interest	423,910
Dividends	1,532,495
Net adjustment in fair value of investments	(1,847,925)
Total investment earnings	108,480
Less investment expense	162,473
Net investment earnings	(53,993)
Total additions	<u>4,847,771</u>
Deductions	
Administrative expenses	24,552
Change in net position	4,823,219
Restricted net position, beginning of year for:	
Postemployment healthcare benefits	<u>52,602,467</u>
Restricted net position, end of year for:	
Postemployment healthcare benefits	<u>\$ 57,425,686</u>

Notes to Financial Statements

16. DEFICIT NET POSITION

The Sanctuary Lake golf course fund has a net position deficit of \$6,180,008 at June 30, 2016.

The Sanctuary Lake golf course completed its eleventh year of operations with operating income of \$198,277 including depreciation expense of \$319,708. Nonoperating activity included investment earnings and sale of capital assets totaling \$4,403 and interest expense of \$289,881 resulting in a decrease change in net position of \$87,201. This compares to a decrease change in net position of \$358,706 last fiscal year. Cash flows from operations were positive in the amount of \$496,090. As such, the deficit is a result of operating income insufficient to meet the debt funding requirements. The fund has incurred advances from primarily the general fund and Sylvan Glen golf course fund to meet its cash debt financing requirements.

The City turned over operations and management of both the Sanctuary Lake and Sylvan Glen golf courses on June 15, 2010 to Billy Casper Golf with a strategic plan of eliminating the deficit in the next few years.

The Downtown Development Authority (component unit) reported a net position deficit of \$14,773,039 compared to \$14,996,759 last fiscal year. This deficit is attributable to recognizing outstanding long-term debt to be financed with future tax increment revenues from the district.

17. BUDGET STABILIZATION FUND

The City has established a budget stabilization fund by adopting a City ordinance in accordance with PA 30 of 1978 - MCL 144.441. The City Council may appropriate all or part of a surplus in the General Fund to the Budget Stabilization Fund. The amount in the Budget Stabilization Fund shall not exceed 15% of the City's most recent General Fund budget as originally adopted or 15% of the average of the City's five most recent General Fund budgets, as amended, whichever is less. Appropriations from the Budget Stabilization Fund may be used to cover any General Fund deficit, prevent a reduction in the level of services when revenues are not being collected in a sufficient manner or when the subsequent year budget indicates a shortfall, and to cover expenses arising from a natural disaster unless federal or state funds are received to offset the appropriation. In accordance with *Governmental Accounting Standards Board (GASB) Statement number 54*, the Budget Stabilization Fund has been included as part of the General Fund for reporting purposes. Any residual fund balance is reported as restricted in the General Fund.

18. SIGNIFICANT COMMITMENTS

As of June 30, 2016, the City had \$3,217,531 in construction commitments outstanding for various projects including street improvements, water system improvements and sanitary sewer improvements. The commitments will be satisfied using grant funding, millage proceeds and fund balance.



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TROY, MICHIGAN

Required Supplementary Information
Employee Retirement System
 (Schedule built prospectively upon implementation of GASB Statement No. 67)

Schedule of Change in Net Pension Liability and Related Ratios

Fiscal Year Ending June 30	2014	2015	2016
Total Pension Liability			
Service cost	\$ 985,140	\$ 966,066	\$ 993,515
Interest on total pension liability	9,635,941	9,626,620	10,251,205
Benefit changes	-	-	(10,477)
Difference between expected and actual returns	286,868	1,874,178	(1,118,247)
Assumption changes	-	8,167,150	-
Benefit payments	(10,955,507)	(11,128,133)	(11,108,572)
Refunds	-	-	-
Net change in total pension liability	<u>(47,558)</u>	<u>9,505,881</u>	<u>(992,576)</u>
Beginning total pension liability	153,230,433	153,182,874	162,688,755
Ending total pension liability (a)	<u><u>\$ 153,182,875</u></u>	<u><u>\$ 162,688,755</u></u>	<u><u>\$ 161,696,179</u></u>
Plan Fiduciary Net Position			
Employer contributions	\$ 1,867,473	\$ 1,451,198	\$ 314,025
Employee contributions	174,214	165,624	166,434
Pension plan net investment income	35,667,991	6,229,392	(330,035)
Benefit payments	(10,955,507)	(11,128,133)	(11,108,572)
Administrative expense	(242,023)	(129,870)	(133,867)
Net change in plan fiduciary net position	<u>26,512,148</u>	<u>(3,411,789)</u>	<u>(11,092,015)</u>
Beginning plan fiduciary net position	163,316,531	189,828,679	186,416,890
Ending plan fiduciary net position (b)	<u><u>\$ 189,828,679</u></u>	<u><u>\$ 186,416,890</u></u>	<u><u>\$ 175,324,875</u></u>
Net pension liability (asset) (a)-(b)	<u>\$ (36,645,804)</u>	<u>\$ (23,728,135)</u>	<u>\$ (13,628,696)</u>
Plan fiduciary net position as a percentage of total pension liability (asset)	123.92%	114.58%	108.43%
Covered employee payroll	\$ 4,768,908	\$ 4,902,224	\$ 4,910,089
Net pension liability (asset) as a percentage of covered employee payroll	-768.43%	-484.03%	-277.57%

Schedule of the Net Pension Liability Multiyear (Prospective Ten Years)

Fiscal Year Ending June 30	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2012	\$ 153,304,399	\$ 146,047,162	\$ 7,257,237	95.3%	\$ 5,427,637	133.7%
2013	153,230,433	163,316,531	(10,086,098)	106.6%	5,069,499	-199.0%
2014	153,182,875	189,828,679	(36,645,804)	123.9%	4,768,908	-768.4%
2015	162,688,755	186,416,890	(23,728,135)	114.6%	4,902,224	-484.0%
2016	161,696,179	175,324,875	(13,628,696)	108.4%	4,910,089	-277.6%

CITY OF TROY, MICHIGAN

Required Supplementary Information
Employee Retirement System

Schedule of Contributions Multiyear (Prospective Ten Years)

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2012	\$ 2,157,379	\$ 2,195,477	\$ (38,098)	\$ 5,427,637	40.4%
2013	1,883,530	1,883,530	-	5,069,499	37.2%
2014	1,845,880	1,867,473	(21,593)	4,768,908	39.2%
2015	1,451,198	1,451,198	-	4,902,224	29.6%
2016	314,025	314,025	-	4,910,089	6.4%

Notes to Schedule of Contributions

Valuation Date: December 31, 2014

Notes Actuarially determined contribution rates are calculated as of December 31st which is 18 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Aggregate
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	5-year smoothed market
Inflation	3.0%; No explicit price inflation assumption is used in this valuation
Salary increases	3.5% to 7.5% including inflation
Investment rate of return	6.50%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. First used for the 1973 valuation; Classified, Exempt, Command Officers first used for the 1981 valuation; Non-Classified/Exempt General members first used for the 1986 valuation.
Mortality	RP-2014 Healthy Annuitant, Employee and Disabled Retiree tables for males and females projected to 2019 with the MP-2014 mortality improvement scale.
Other information	None

Schedule of Investment Returns Multiyear (Prospective Ten Years)

Fiscal Year Ending June 30	Annual Return
2012	-1.1%
2013	18.2%
2014	22.2%
2015	3.3%
2016	-0.2%

CITY OF TROY, MICHIGAN

Required Supplementary Information
Volunteer Firefighter Incentive Plan
 (Schedule built prospectively upon implementation of GASB Statement No. 67)

Schedule of Changes in Net Plan Liability and Related Ratios Multiyear (Prospective Ten Years)

Fiscal Year Ending June 30	2014	2015	2016
Total Pension Liability			
Service cost	\$ 447,479	\$ 463,508	\$ 464,863
Interest on total pension liability	819,211	1,033,632	1,077,246
Benefit changes	1,727,859	-	-
Difference between expected and actual returns	-	270,606	(93,449)
Assumption changes	1,703,002	120,951	424,977
Benefit payments	(1,379,391)	(987,639)	(1,166,059)
Net change in total pension liability	3,318,160	901,058	707,578
Beginning total pension liability	13,069,207	16,387,367	17,288,425
Ending total pension liability (a)	<u>\$ 16,387,367</u>	<u>\$ 17,288,425</u>	<u>\$ 17,996,003</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 1,078,500	\$ 3,078,500	\$ 1,100,632
Pension plan net investment income	286,663	100,516	152,770
Benefit payments	(1,379,391)	(987,639)	(1,166,059)
Administrative expense	(12,420)	(19,748)	(14,428)
Net change in plan fiduciary net position	(26,648)	2,171,629	72,915
Beginning plan fiduciary net position	5,378,140	5,351,492	7,523,121
Ending plan fiduciary net position (b)	<u>\$ 5,351,492</u>	<u>\$ 7,523,121</u>	<u>\$ 7,596,036</u>
Net pension liability (a)-(b)	\$ 11,035,875	\$ 9,765,304	\$ 10,399,967
Plan fiduciary net position as a percentage of total pension liability	32.66%	43.52%	42.21%
Covered employee payroll	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A

Schedule of the Net Pension Liability Multiyear (Prospective Ten Years)

Fiscal Year Ending June 30	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 16,387,367	\$ 5,351,492	\$ 11,035,875	32.7%	N/A	N/A
2015	17,288,425	7,523,121	9,765,304	43.5%	N/A	N/A
2016	17,996,003	7,596,836	10,399,167	42.2%	N/A	N/A

Schedule of Contributions Multiyear (Prospective Ten Years)

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 858,472	\$ 1,078,500	\$ (220,028)	N/A	N/A
2015	843,872	3,078,500	(2,234,628)	N/A	N/A
2016	1,100,632	1,100,632	-	N/A	N/A

CITY OF TROY, MICHIGAN

Required Supplementary Information
Volunteer Firefighter Incentive Plan

Notes to Schedule of Contributions

Valuation Date: December 31, 2014

Notes Actuarially determined contribution rates are calculated as of December 31st which is 18 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry age
 Amortization method Level dollar, open
 Remaining amortization period 25 years
 Asset valuation method 4-year smoothed market
 Investment rate of return 6.50%
 Retirement age Age and experienced-based table of rates that are specific to the type of eligibility condition.

Mortality RP-2014 Mortality Table projected to 2019 using scale BB.

Benefit changes	<u>Effective July 1,</u>	<u>Amount Per Year</u>
		<u>of Service</u>
	2014	\$642
	2015	681
	2016	724
	2017	769
	thereafter	1% per year

Schedule of Investment Returns Multiyear (Prospective Ten Years)

Fiscal Year	
Ending	Annual
June 30	Return
<u>2014</u>	<u>4.8%</u>
2015	1.0%
2016	1.8%

CITY OF TROY, MICHIGAN

Required Supplementary Information
Other Postemployment Benefits

Schedule of Funding Progress
Retiree Health Care Trust Fund
(amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2008	\$ 38,094	\$ 91,966	\$ 53,872	41.4%	\$ 31,168	172.8%
12/31/2010	60,360	89,952	29,592	67.1%	25,951	114.0%
12/31/2012	59,131	100,064	40,932	59.1%	19,194	213.2%
12/31/2014	68,440	114,427	45,987	59.8%	19,614	234.5%

* Actuarial valuations on the Retiree Health Care Trust Fund are required on a bi-annual basis

Schedule of Employer Contributions
Retiree Health Care Trust Fund
(amounts in thousands)

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2012	\$ 3,773	117.4%
2013	3,855	126.9%
2014	4,465	100.0%
2015	4,425	104.7%
2016	4,793	100.0%

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS:

Major Streets Fund - Accumulates resources from state funding sources for the maintenance and construction of the City's major streets system.

Local Streets Fund - Accumulates resources from state funding sources for the maintenance and construction of the City's local streets system.

Refuse Fund - Accumulates resources from a dedicated tax millage for sanitation collection and disposal services.

Transit Center Fund - Accumulates resources from Amtrak and sponsorships for the operations, maintenance and capital needs of the Transit Center.

Drug Forfeiture Fund - Accumulates resources from a federal and state drug forfeiture court rulings which can only be expended on specific supplies and services that support drug enforcement.

Library Fund - Accumulates resources from a dedicated tax millage for providing public library services to the community.

Community Development Block Grant - Accumulates resources for the administration of federal funded projects designed to address a wide-range of community needs in low income areas.

PERMANENT FUND

Cemetery Perpetual Care - Accumulates resources from plot and burial fees for the perpetual care of cemetery grounds.

DEBT SERVICE FUNDS

Debt Service Funds - Accumulate resources from a dedicated tax millage for the debt service financing requirements of major voter approved capital projects.

NONMAJOR ENTERPRISE FUNDS

Sylvan Glen Golf Course - Accumulates resources from user fees to the operation and maintenance of a municipal golf course.

Aquatic Center - Accumulates resources from user fees for the operation and maintenance of the City's municipal water park.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (concluded)

INTERNAL SERVICE FUNDS

Compensated Absences Fund - Accumulates resources from interdepartmental charges for funding employee earned vacation and sick pay benefits.

Unemployment Compensation Fund - Accumulates resources from interdepartmental charges for City unemployment insurance premiums and obligations.

Custodial Services Fund - Accumulates resources from interdepartmental charges for the custodial services to city buildings.

Information Technology Fund - Accumulates resources from interdepartmental charges for the maintenance and improvements of the City's computer and software requirements.

Motor Equipment Fund - Accumulates resources from interdepartmental charges for the maintenance and capital investment of City owned vehicles.

Worker's Compensation Fund - Accumulates resources from interdepartmental charges for insurance premium and City obligations for worker's compensation claims.

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CITY OF TROY, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2016

	Special Revenue							Total Special Revenue
	Major Streets	Local Streets	Refuse	Transit Center	Drug Forfeiture	Library	Community Development Block Grant	
Assets								
Cash and investments	\$ 3,041,787	\$ 2,501,141	\$ 1,368,358	\$ (33,034)	\$ 752,939	\$ 1,302,515	\$ (185,486)	\$ 8,748,220
Accounts receivable	-	-	796	59,468	-	199,697	-	259,961
Due from other governments	870,333	260,101	-	-	-	-	187,883	1,318,317
Prepaid expenditures	-	-	-	-	-	35,100	-	35,100
Total assets	\$ 3,912,120	\$ 2,761,242	\$ 1,369,154	\$ 26,434	\$ 752,939	\$ 1,537,312	\$ 2,397	\$10,361,598
Liabilities								
Accounts payable	\$ -	\$ -	\$ 372,443	\$ 2,638	\$ 14,370	\$ 71,156	\$ 2,397	\$ 463,004
Other liabilities	-	-	10,752	139	-	-	-	10,891
Total liabilities	-	-	383,195	2,777	14,370	71,156	2,397	473,895
Fund balance								
Nonspendable	-	-	-	-	-	35,100	-	35,100
Restricted	3,912,120	2,761,242	985,959	23,657	738,569	1,431,056	-	9,852,603
Total fund balances	3,912,120	2,761,242	985,959	23,657	738,569	1,466,156	-	9,887,703
Total liabilities and fund balance	\$ 3,912,120	\$ 2,761,242	\$ 1,369,154	\$ 26,434	\$ 752,939	\$ 1,537,312	\$ 2,397	\$10,361,598

CITY OF TROY, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds (Concluded)
 June 30, 2016

	Debt Service				Total Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
	General Debt Service	Proposal A Debt Service	Proposal B Debt Service	Proposal C Debt Service		Cemetery Perpetual Care	
Assets							
Cash and investments	\$ 1,332,372	\$ -	\$ -	\$ -	\$ 1,332,372	\$ 215,922	\$ 10,296,514
Accounts receivable	-	-	-	-	-	-	259,961
Due from other governments	-	-	-	-	-	-	1,318,317
Prepaid expenditures	-	-	-	-	-	-	35,100
Total assets	<u>\$ 1,332,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,332,372</u>	<u>\$ 215,922</u>	<u>\$ 11,909,892</u>
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 463,004
Other liabilities	-	-	-	-	-	-	10,891
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>473,895</u>
Fund balance							
Nonspendable	-	-	-	-	-	161,800	196,900
Restricted	1,332,372	-	-	-	1,332,372	54,122	11,239,097
Total fund balances	<u>1,332,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,332,372</u>	<u>215,922</u>	<u>11,435,997</u>
Total liabilities and fund balance	<u>\$ 1,332,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,332,372</u>	<u>\$ 215,922</u>	<u>\$ 11,909,892</u>

CITY OF TROY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
 For the Year Ended June 30, 2016

	Special Revenue							Total Special Revenue
	Major Streets	Local Streets	Refuse	Transit Center	Drug Forfeiture	Library	Community Development Block Grant	
Revenues								
Property taxes	\$ -	\$ -	\$ 4,733,992	\$ -	\$ -	\$ 3,083,735	\$ -	\$ 7,817,727
Federal grants	-	-	-	-	-	-	239,282	239,282
State grants	4,855,713	1,581,594	-	-	-	224,237	-	6,661,544
Charges for services	-	-	8,630	49,189	-	23,944	-	81,763
Fines and forfeitures	-	-	-	-	92,184	107,710	-	199,894
Investment earnings	58,410	48,398	30,676	-	11,230	37,771	-	186,485
Other	-	-	-	9,515	-	9,824	-	19,339
Total revenues	4,914,123	1,629,992	4,773,298	58,704	103,414	3,487,221	239,282	15,206,034
Expenditures								
Current:								
General government	-	-	-	59,544	-	-	-	59,544
Public safety	-	-	-	-	48,310	-	-	48,310
Sanitation	-	-	4,517,910	-	-	-	-	4,517,910
Community development	-	-	-	-	-	-	112,552	112,552
Recreation and culture	-	-	-	-	-	2,729,910	-	2,729,910
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	-	-	4,517,910	59,544	48,310	2,729,910	112,552	7,468,226
Revenues over (under) expenditures	4,914,123	1,629,992	255,388	(840)	55,104	757,311	126,730	7,737,808
Other financing sources (uses)								
Transfers in	-	500,000	-	-	-	-	-	500,000
Transfers out	(4,347,952)	(2,561,201)	-	-	-	(748,970)	(126,730)	(7,784,853)
Total other financing (uses) sources	(4,347,952)	(2,061,201)	-	-	-	(748,970)	(126,730)	(7,284,853)
Net change in fund balances	566,171	(431,209)	255,388	(840)	55,104	8,341	-	452,955
Fund balances, beginning of year	3,345,949	3,192,451	730,571	24,497	683,465	1,457,815	-	9,434,748
Fund balances, end of year	\$ 3,912,120	\$ 2,761,242	\$ 985,959	\$ 23,657	\$ 738,569	\$ 1,466,156	\$ -	\$ 9,887,703

CITY OF TROY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds (Concluded)
 For the Year Ended June 30, 2016

	Debt Service				Total Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
	General Debt Service	Proposal A Debt Service	Proposal B Debt Service	Proposal C Debt Service		Cemetery Perpetual Care	
Revenues							
Property taxes	\$ 3,106,251	\$ -	\$ -	\$ -	\$ 3,106,251	\$ -	\$ 10,923,978
Federal grants	-	-	-	-	-	-	239,282
State grants	-	-	-	-	-	-	6,661,544
Charges for services	-	-	-	-	-	2,900	84,663
Fines and forfeitures	-	-	-	-	-	-	199,894
Investment earnings	21,543	-	-	-	21,543	3,354	211,382
Other	-	-	-	-	-	-	19,339
Total revenues	3,127,794	-	-	-	3,127,794	6,254	18,340,082
Expenditures							
Current:							
General government	-	-	-	-	-	-	59,544
Public safety	-	-	-	-	-	-	48,310
Sanitation	-	-	-	-	-	-	4,517,910
Community development	-	-	-	-	-	-	112,552
Recreation and culture	-	-	-	-	-	-	2,729,910
Debt service:							
Principal	-	730,000	1,130,000	580,000	2,440,000	-	2,440,000
Interest	75,649	184,563	261,250	142,600	664,062	-	664,062
Total expenditures	75,649	914,563	1,391,250	722,600	3,104,062	-	10,572,288
Revenues over (under) expenditures	3,052,145	(914,563)	(1,391,250)	(722,600)	23,732	6,254	7,767,794
Other financing sources (uses)							
Transfers in	-	914,563	1,391,250	722,600	3,028,413	-	3,528,413
Transfers out	(3,028,413)	-	-	-	(3,028,413)	-	(10,813,266)
Total other financing (uses) sources	(3,028,413)	914,563	1,391,250	722,600	-	-	(7,284,853)
Net change in fund balances	23,732	-	-	-	23,732	6,254	482,941
Fund balances, beginning of year	1,308,640	-	-	-	1,308,640	209,668	10,953,056
Fund balances, end of year	\$ 1,332,372	\$ -	\$ -	\$ -	\$ 1,332,372	\$ 215,922	\$ 11,435,997

CITY OF TROY, MICHIGAN

Schedule of Revenue, Expenditures and Change in Fund Balance Budget and Actual - Major Streets Fund For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
State grants and reimbursements	\$ 3,798,400	\$ 3,798,400	\$ 4,855,713	\$ 1,057,313
Investment earnings	18,000	18,000	58,410	40,410
Total revenues	3,816,400	3,816,400	4,914,123	1,097,723
Other financing (uses)				
Transfers out	(4,514,670)	(4,514,670)	(4,347,952)	(166,718)
Net change in fund balance	(698,270)	(698,270)	566,171	1,264,441
Fund balance, beginning of year	3,345,949	3,345,949	3,345,949	-
Fund balance, end of year	\$ 2,647,679	\$ 2,647,679	\$ 3,912,120	\$ 1,264,441

CITY OF TROY, MICHIGAN

Schedule of Revenue, Expenditures and Change in Fund Balance Budget and Actual - Local Streets Fund For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
State grants and reimbursements	\$ 1,495,220	\$ 1,495,220	\$ 1,581,594	\$ 86,374
Investment earnings	16,000	16,000	48,398	32,398
Total revenues	<u>1,511,220</u>	<u>1,511,220</u>	<u>1,629,992</u>	<u>118,772</u>
Other financing sources (uses)				
Transfers in	500,000	500,000	500,000	-
Transfers out	<u>(3,228,210)</u>	<u>(3,228,210)</u>	<u>(2,561,201)</u>	<u>(667,009)</u>
Total other financing (uses)	<u>(2,728,210)</u>	<u>(2,728,210)</u>	<u>(2,061,201)</u>	<u>(667,009)</u>
Net change in fund balance	(1,216,990)	(1,216,990)	(431,209)	785,781
Fund balance, beginning of year	<u>3,192,451</u>	<u>3,192,451</u>	<u>3,192,451</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,975,461</u>	<u>\$ 1,975,461</u>	<u>\$ 2,761,242</u>	<u>\$ 785,781</u>

CITY OF TROY, MICHIGAN

Schedule of Revenue, Expenditures and Change in Fund Balance Budget and Actual - Refuse Fund For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 4,741,500	\$ 4,741,500	\$ 4,733,992	\$ (7,508)
Charges for services	6,500	6,500	8,630	2,130
Investment earnings	20,000	20,000	30,676	10,676
Total revenues	4,768,000	4,768,000	4,773,298	5,298
Expenditures				
Sanitation	4,573,000	4,573,000	4,517,910	(55,090)
Net change in fund balance	195,000	195,000	255,388	60,388
Fund balance, beginning of year	730,571	730,571	730,571	-
Fund balance, end of year	\$ 925,571	\$ 925,571	\$ 985,959	\$ 60,388

CITY OF TROY, MICHIGAN

Schedule of Revenue, Expenditures and Change in Fund Balance Budget and Actual - Transit Center

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Sponsorships	\$ -	\$ -	\$ 9,515	\$ 9,515
Charges for services	71,320	71,320	49,189	(22,131)
Total revenues	71,320	71,320	58,704	(12,616)
Expenditures				
General government	71,320	71,320	59,544	(11,776)
Net change in fund balance	-	-	(840)	(840)
Fund balance, beginning of year	24,497	24,497	24,497	-
Fund balance, end of year	\$ 24,497	\$ 24,497	\$ 23,657	\$ (840)

CITY OF TROY, MICHIGAN

Schedule of Revenue, Expenditures and Change in Fund Balance Budget and Actual - Drug Forfeiture For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Fines and forfeitures	\$ 130,000	\$ 130,000	\$ 92,184	\$ (37,816)
Investment earnings	-	-	11,230	11,230
Total revenues	130,000	130,000	103,414	(26,586)
Expenditures				
Public safety	102,000	102,000	48,310	(53,690)
Revenues over expenditures	28,000	28,000	55,104	27,104
Other financing (uses)				
Transfers out	(50,000)	(50,000)	-	50,000
Net change in fund balance	(22,000)	(22,000)	55,104	77,104
Fund balance, beginning of year	683,465	683,465	683,465	-
Fund balance, end of year	\$ 661,465	\$ 661,465	\$ 738,569	\$ 77,104

CITY OF TROY, MICHIGAN

Schedule of Revenue, Expenditures and Change in Fund Balance Budget and Actual - Library Fund For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 3,088,500	\$ 3,088,500	\$ 3,083,735	\$ (4,765)
State grants and reimbursements	133,000	133,000	224,237	91,237
Charges for services	22,110	22,110	23,944	1,834
Fines and forfeitures	115,000	115,000	107,710	(7,290)
Investment earnings	-	-	37,771	37,771
Other	168,700	215,700	9,824	(205,876)
Total revenues	3,527,310	3,574,310	3,487,221	(87,089)
Expenditures				
Recreation and culture	2,937,690	2,937,690	2,729,910	(207,780)
Revenues over expenditures	589,620	636,620	757,311	120,691
Other financing (uses)				
Transfers out	(730,000)	(898,900)	(748,970)	(149,930)
Net change in fund balance	(140,380)	(262,280)	8,341	270,621
Fund balance, beginning of year	1,457,815	1,457,815	1,457,815	-
Fund balance, end of year	\$ 1,317,435	\$ 1,195,535	\$ 1,466,156	\$ 270,621

CITY OF TROY, MICHIGAN

Schedule of Revenue, Expenditures and Change in Fund Balance Budget and Actual - Community Development Block Grant For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants and reimbursements	\$ 259,850	\$ 259,850	\$ 239,282	\$ (20,568)
Expenditures				
Community development	45,850	45,850	112,552	66,702
Revenues over expenditures	214,000	214,000	126,730	(87,270)
Other financing (uses)				
Transfers out for Capital Purchases	214,000	214,000	126,730	(87,270)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF TROY, MICHIGAN

Combining Statement of Net Position Nonmajor Enterprise Funds

June 30, 2016

	Sylvan Glen Golf Course	Aquatic Center	Total
Assets			
Current assets:			
Cash and investments	\$ 256,548	\$ 288,291	\$ 544,839
Accounts receivable	24,558	13,919	38,477
Inventories	30,121	-	30,121
Prepaid expenses	33,455	-	33,455
Total current assets	<u>344,682</u>	<u>302,210</u>	<u>646,892</u>
Noncurrent assets:			
Advances to other funds	3,343,230	-	3,343,230
Capital assets not being depreciated	1,894,552	-	1,894,552
Capital assets being depreciated (net)	400,382	1,127,485	1,527,867
Total noncurrent assets	<u>5,638,164</u>	<u>1,127,485</u>	<u>6,765,649</u>
Total assets	<u>5,982,846</u>	<u>1,429,695</u>	<u>7,412,541</u>
Liabilities			
Current liabilities:			
Accounts payable	638	134,869	135,507
Other liabilities	169,223	16,591	185,814
Current portion of capital lease	51,912	-	51,912
Total current liabilities	<u>221,773</u>	<u>151,460</u>	<u>373,233</u>
Noncurrent liabilities:			
Advances from other funds	-	180,302	180,302
Capital lease	35,454	-	35,454
Total noncurrent liabilities	<u>35,454</u>	<u>180,302</u>	<u>215,756</u>
Total liabilities	<u>257,227</u>	<u>331,762</u>	<u>588,989</u>
Net position			
Net investment in capital assets	2,207,568	1,127,485	3,335,053
Unrestricted (deficit)	3,518,051	(29,552)	3,488,499
Total net position	<u>\$ 5,725,619</u>	<u>\$ 1,097,933</u>	<u>\$ 6,823,552</u>

CITY OF TROY, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds

For the Year Ended June 30, 2016

	Sylvan Glen Golf Course	Aquatic Center	Total
Operating revenues			
Charges for services	\$ 931,430	\$ 710,411	\$ 1,641,841
Rental:			
Golf course	209,887	-	209,887
Restaurant	67,200	-	67,200
Other services	82,850	18,178	101,028
Total operating revenues	<u>1,291,367</u>	<u>728,589</u>	<u>2,019,956</u>
Operating expenses			
Operations	1,017,602	526,753	1,544,355
Depreciation	122,490	172,112	294,602
Total operating expenses	<u>1,140,092</u>	<u>698,865</u>	<u>1,838,957</u>
Operating income	<u>151,275</u>	<u>29,724</u>	<u>180,999</u>
Nonoperating revenues (expenses)			
Investment earnings	1,095	-	1,095
Interest expense	(3,273)	-	(3,273)
Gain (loss) on sale of capital assets	10,551	(4,135)	6,416
Total nonoperating revenues (expenses)	<u>8,373</u>	<u>(4,135)</u>	<u>4,238</u>
Change in net position	159,648	25,589	185,237
Net position, beginning of year	<u>5,565,971</u>	<u>1,072,344</u>	<u>6,638,315</u>
Net position, end of year	<u>\$ 5,725,619</u>	<u>\$ 1,097,933</u>	<u>\$ 6,823,552</u>

CITY OF TROY, MICHIGAN

Combining Statement of Cash Flows Nonmajor Enterprise Funds For the Year Ended June 30, 2016

	Sylvan Glen Golf Course	Aquatic Center	Total
Cash flows from operating activities			
Cash received from customers	\$ 1,271,447	\$ 731,611	\$ 2,003,058
Cash payments to employees	(547,832)	(267,996)	(815,828)
Cash payments to suppliers for goods and services	(467,631)	(118,701)	(586,332)
Cash payments for interfund services	(7,679)	(20,226)	(27,905)
Net cash provided by operating activities	<u>248,305</u>	<u>324,688</u>	<u>572,993</u>
Cash flows (used) by noncapital financing activities			
Advances to other funds	(100,000)	-	(100,000)
Net cash (used) by noncapital financing activities	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Cash flows (used) by capital and related financing activities			
Purchase of capital assets	(50,039)	(133,215)	(183,254)
Proceeds from sale of capital assets	10,551	(1)	10,550
Principal on capital lease	(50,430)	-	(50,430)
Interest on capital lease	(3,273)	-	(3,273)
Net cash (used) by capital and related financing activities	<u>(93,191)</u>	<u>(133,216)</u>	<u>(226,407)</u>
Cash flows from investing activities			
Investment income	1,095	-	1,095
Net increase in cash and investments	<u>56,209</u>	<u>191,472</u>	<u>247,681</u>
Cash and investments, beginning of year	<u>200,339</u>	<u>96,819</u>	<u>297,158</u>
Cash and investments, end of year	<u>\$ 256,548</u>	<u>\$ 288,291</u>	<u>\$ 544,839</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 151,275	\$ 29,724	\$ 180,999
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	122,490	172,112	294,602
Changes in assets and liabilities:			
Accounts receivable	(19,920)	3,022	(16,898)
Inventories	10,557	-	10,557
Prepaid expenses	(4,827)	-	(4,827)
Accounts payable	348	103,239	103,587
Other liabilities	(11,618)	16,591	4,973
Total adjustments	<u>97,030</u>	<u>294,964</u>	<u>391,994</u>
Net cash provided by operating activities	<u>\$ 248,305</u>	<u>\$ 324,688</u>	<u>\$ 572,993</u>

CITY OF TROY, MICHIGAN

Combining Statement of Net Position
Internal Service Funds

June 30, 2016

	Compensated Absences	Unemployment Compensation	Custodial Services
Assets			
Current assets:			
Cash and investments	\$ 5,252,544	\$ 40,000	\$ 603,245
Accounts receivable	-	-	-
Inventories	-	-	-
Total current assets	5,252,544	40,000	603,245
Noncurrent assets:			
Capital assets not being depreciated	-	-	-
Capital assets being depreciated net of accumulated depreciation	-	-	-
Total capital assets, net of accumulated depreciation	-	-	-
Total assets	5,252,544	40,000	603,245
Liabilities			
Current liabilities:			
Accounts payable	-	-	3,245
Compensated absences	2,425,505	-	-
Total current liabilities	2,425,505	-	3,245
Noncurrent liabilities:			
Compensated absences	1,914,345	-	-
Total liabilities	4,339,850	-	3,245
Net position			
Investment in capital assets	-	-	-
Unrestricted	912,694	40,000	600,000
Total net position	\$ 912,694	\$ 40,000	\$ 600,000

CITY OF TROY, MICHIGAN

Combining Statement of Net Position
Internal Service Funds

June 30, 2016

	Information Technology	Motor Equipment	Workers' Compensation	Total
Assets				
Current assets:				
Cash and investments	\$ 802,007	\$ 6,001,820	\$ 2,000,000	\$ 14,699,616
Accounts receivable	-	59,962	-	59,962
Inventories	-	409,001	-	409,001
Total current assets	802,007	6,470,783	2,000,000	15,168,579
Noncurrent assets:				
Capital assets not being depreciated	64,849	10,248	-	75,097
Capital assets being depreciated net of accumulated depreciation	373,662	4,040,676	-	4,414,338
Total capital assets, net of accumulated depreciation	438,511	4,050,924	-	4,489,435
Total assets	1,240,518	10,521,707	2,000,000	19,658,014
Liabilities				
Current liabilities:				
Accounts payable	26,097	213,536	-	242,878
Compensated absences	-	-	-	2,425,505
Total current liabilities	26,097	213,536	-	2,668,383
Noncurrent liabilities:				
Compensated absences	-	-	-	1,914,345
Total liabilities	26,097	213,536	-	4,582,728
Net position				
Investment in capital assets	438,511	4,050,924	-	4,489,435
Unrestricted	775,910	6,257,247	2,000,000	10,585,851
Total net position	\$ 1,214,421	\$ 10,308,171	\$ 2,000,000	\$ 15,075,286

CITY OF TROY, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds

For the Year Ended June 30, 2016

	Compensated Absences	Unemployment Compensation	Custodial Services
Operating revenues			
Charges for services	\$ 4,088,923	\$ -	\$ 928,531
Building rental	-	-	-
Equipment rental	-	-	-
Other	-	2,109	-
Total operating revenues	4,088,923	2,109	928,531
Operating expenses			
Cost of services	4,158,182	2,712	936,679
Motor vehicle and garage expenses			
Administration	-	-	-
Operations	-	-	-
Depreciation	-	-	-
Total operating expenses	4,158,182	2,712	936,679
Operating income (loss)	(69,259)	(603)	(8,148)
Nonoperating revenues			
Investment earnings	69,259	603	8,148
Gain on sale of capital assets	-	-	-
Total nonoperating revenues	69,259	603	8,148
Change in net position	-	-	-
Net position, beginning of year	912,694	40,000	600,000
Net position, end of year	\$ 912,694	\$ 40,000	\$ 600,000

CITY OF TROY, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds

For the Year Ended June 30, 2016

	Information Technology	Motor Equipment	Workers' Compensation	Total
Operating revenues				
Charges for services	\$ 1,844,770	\$ 125,412	\$ 291,034	\$ 7,278,670
Building rental	-	163,696	-	163,696
Equipment rental	-	3,241,388	-	3,241,388
Other	680	111,011	4,833	118,633
Total operating revenues	1,845,450	3,641,507	295,867	10,802,387
Operating expenses				
Cost of services	1,784,820	-	330,477	7,212,870
Motor vehicle and garage expenses				
Administration	-	562,271	-	562,271
Operations	-	2,207,057	-	2,207,057
Depreciation	117,838	626,741	-	744,579
Total operating expenses	1,902,658	3,396,069	330,477	10,726,777
Operating income (loss)	(57,208)	245,438	(34,610)	75,610
Nonoperating revenues				
Investment earnings	8,028	93,837	34,610	214,485
Gain on sale of capital assets	-	195,942	-	195,942
Total nonoperating revenues	8,028	289,779	34,610	410,427
Change in net position	(49,180)	535,217	-	486,037
Net position, beginning of year	1,263,601	9,772,954	2,000,000	14,589,249
Net position, end of year	\$ 1,214,421	\$ 10,308,171	\$ 2,000,000	\$ 15,075,286

CITY OF TROY, MICHIGAN

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2016

	Compensated Absences	Unemployment Compensation	Custodial Services
Cash flows from operating activities			
Cash received from interfund services	\$ 4,088,923	\$ 2,109	\$ 928,531
Cash payments to employees	(3,733,142)	-	(807,006)
Cash payments to suppliers for goods and services	-	(3,218)	(131,701)
Net cash provided (used) by operating activities	<u>355,781</u>	<u>(1,109)</u>	<u>(10,176)</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	-	-	-
Proceeds from sale of capital assets	-	-	-
Net cash (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Investment income	<u>69,259</u>	<u>603</u>	<u>8,148</u>
Net increase (decrease) in cash and investments	425,040	(506)	(2,028)
Cash and investments, beginning of year	<u>4,827,504</u>	<u>40,506</u>	<u>605,273</u>
Cash and investments, end of year	<u>\$ 5,252,544</u>	<u>\$ 40,000</u>	<u>\$ 603,245</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating (loss)	\$ (69,259)	\$ (603)	\$ (8,148)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	-
Changes in assets and liabilities:			
Inventories	-	-	-
Accounts payable	-	(506)	(2,028)
Accrued liabilities	425,040	-	-
Net cash provided (used) by operating activities	<u>\$ 355,781</u>	<u>\$ (1,109)</u>	<u>\$ (10,176)</u>

CITY OF TROY, MICHIGAN

Combining Statement of Cash Flows
Internal Service Funds

For the Year Ended June 30, 2016

	Information Technology	Motor Equipment	Workers' Compensation	Total
Cash flows from operating activities				
Cash received from interfund services	\$ 1,845,450	\$ 3,641,507	\$ 295,867	\$ 10,802,387
Cash payments to employees	(1,151,487)	(1,398,178)	-	(7,089,813)
Cash payments to suppliers for goods and services	(653,034)	(1,532,378)	(330,477)	(2,650,808)
Net cash provided (used) by operating activities	<u>40,929</u>	<u>710,951</u>	<u>(34,610)</u>	<u>1,061,766</u>
Cash flows from capital and related financing activities				
Purchase of capital assets	(97,599)	(1,253,351)	-	(1,350,950)
Proceeds from sale of capital assets	-	195,942	-	195,942
Net cash (used) by capital and related financing activities	<u>(97,599)</u>	<u>(1,057,409)</u>	<u>-</u>	<u>(1,155,008)</u>
Cash flows from investing activities				
Investment income	17,776	92,429	34,610	222,825
Net increase (decrease) in cash and investments	<u>(38,894)</u>	<u>(254,029)</u>	<u>-</u>	<u>129,583</u>
Cash and investments, beginning of year	<u>840,901</u>	<u>6,255,849</u>	<u>2,000,000</u>	<u>14,570,033</u>
Cash and investments, end of year	<u>\$ 802,007</u>	<u>\$ 6,001,820</u>	<u>\$ 2,000,000</u>	<u>\$ 14,699,616</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (57,208)	\$ 245,438	\$ (34,610)	\$ 75,610
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	117,838	626,741	-	744,579
Changes in assets and liabilities:				
Inventories	-	21,717	-	21,717
Accounts payable	-	-	-	(2,534)
Accrued liabilities	(19,701)	(182,945)	-	222,394
Net cash provided (used) by operating activities	<u>\$ 40,929</u>	<u>\$ 710,951</u>	<u>\$ (34,610)</u>	<u>\$ 1,061,766</u>

CITY OF TROY, MICHIGAN

Combining Statement of Net Position Fiduciary Funds

June 30, 2016

	Pension and Other Employee Benefit Trust Funds					
	Employees' Retirement System			Volunteer Firefighter Incentive Trust	Retiree Health Care Trust Fund	Total Pension and OPEB Trust Funds
	Pension	Health Care	Total			
Assets						
Cash	\$ 3,800,475	\$ -	\$ 3,800,475	\$ 2,988,762	\$ 747,194	\$ 7,536,431
Interest receivable	28,216	-	28,216	-	77,459	105,675
Investments						
U.S. government securities	3,952,099	-	3,952,099	4,552,083	-	8,504,182
Municipal securities	-	-	-	55,991	-	55,991
Corporate bonds	3,136,064	-	3,136,064	-	11,124,211	14,260,275
Corporate equities	89,875,490	-	89,875,490	-	8,516,516	98,392,006
Mutual funds	49,054,543	12,351,801	61,406,344	-	25,844,339	87,250,683
Exchange traded funds	25,604,990	-	25,604,990	-	11,115,967	36,720,957
Total assets	175,451,877	12,351,801	187,803,678	7,596,836	57,425,686	252,826,200
Liabilities						
Accounts payable	56,455	-	56,455	800	-	57,255
Accrued liabilities	70,547	-	70,547	-	-	70,547
Total liabilities	127,002	-	127,002	800	-	127,802
Net position						
Restricted for pension benefits	175,324,875	-	175,324,875	7,596,036	-	182,920,911
Restricted for postemployment healthcare benefits	-	12,351,801	12,351,801	-	57,425,686	69,777,487
Total net position	\$175,324,875	\$12,351,801	\$187,676,676	\$ 7,596,036	\$57,425,686	\$252,698,398

CITY OF TROY, MICHIGAN

Combining Statement of Changes in Net Position Fiduciary Funds

For the Year Ended June 30, 2016

	Pension and Other Employee Benefit Trust Funds					
	Employees' Retirement System			Volunteer Firefighter Incentive Trust	Retiree Health Care Trust Fund	Total Pension and OPEB Trust Funds
	Pension	Health Care	Total			
Additions						
Contributions						
Employer contributions	\$ 314,025	\$ -	\$ 314,025	\$ 1,100,632	\$ 4,901,764	\$ 6,316,421
Employee contributions	166,434	-	166,434	-	-	166,434
Total contributions	480,459	-	480,459	1,100,632	4,901,764	6,482,855
Investment earnings						
Interest	294,890	72,555	367,445	126,364	423,910	917,719
Dividends	5,439,820	-	5,439,820	2,085	1,532,495	6,974,400
Other income	84,967	-	84,967	-	-	84,967
Net adjustment in fair value	(5,733,980)	-	(5,733,980)	24,321	(1,847,925)	(7,557,584)
Total investment earnings	85,697	72,555	158,252	152,770	108,480	419,502
Less investment expense	415,732	-	415,732	-	162,473	578,205
Net investment earnings	(330,035)	72,555	(257,480)	152,770	(53,993)	(158,703)
Total additions	150,424	72,555	222,979	1,253,402	4,847,771	6,324,152
Deductions						
Benefits	11,108,572	4,463,557	15,572,129	1,166,059	-	16,738,188
Administrative expenses	133,867	-	133,867	14,428	24,552	172,847
Total deductions	11,242,439	4,463,557	15,705,996	1,180,487	24,552	16,911,035
Change in net position	(11,092,015)	(4,391,002)	(15,483,017)	72,915	4,823,219	(10,586,883)
Restricted net position, beg. of year for						
Pension benefits	186,416,890	-	186,416,890	7,523,121	-	193,940,011
Postemployment healthcare benefits	-	16,742,803	16,742,803	-	52,602,467	69,345,270
Total restricted net position, beginning of year	186,416,890	16,742,803	203,159,693	7,523,121	52,602,467	263,285,281
Restricted net position, end of year for						
Pension benefits	175,324,875	-	175,324,875	7,596,036	-	182,920,911
Postemployment healthcare benefits	-	12,351,801	12,351,801	-	57,425,686	69,777,487
Total restricted net position, end of year	\$175,324,875	\$12,351,801	\$187,676,676	\$ 7,596,036	\$57,425,686	\$252,698,398

CITY OF TROY, MICHIGAN

Statement of Changes in Fiduciary Assets and Liabilities Agency Fund

For the Year Ended June 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash and investments	\$ 4,099,475	\$ 189,983,274	\$ (189,727,829)	\$ 4,354,920
Taxes receivable	788,538	190,437,238	(191,225,776)	-
Total assets	\$ 4,888,013	\$ 380,420,512	\$ (380,953,605)	\$ 4,354,920
Liabilities				
Accounts payable	\$ 31,220	\$ 375,567,885	\$ (375,563,005)	\$ 36,100
Performance deposits	4,856,793	1,951,599	(2,489,572)	4,318,820
Total liabilities	\$ 4,888,013	\$ 377,519,484	\$ (378,052,577)	\$ 4,354,920

CITY OF TROY, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet Downtown Development Authority

June 30, 2016

	Operating	Adjustments	Statement of Net Position
Assets			
Cash and investments	\$ 147,241	\$ -	\$ 147,241
Receivables			
Taxes receivable	42,910	-	42,910
Total assets	\$ 190,151	-	190,151
Liabilities			
Interest payable	\$ -	113,611	113,611
Noncurrent liabilities			
Due within one year	-	260,000	260,000
Due after one year	-	14,165,000	14,165,000
Total liabilities	-	14,538,611	14,538,611
Deferred inflows of resources			
Unavailable property taxes	42,911	(42,911)	-
Deferred gain on refunding	-	424,579	424,579
Total deferred inflows of resources	42,911	381,668	424,579
Fund balance			
Unassigned	147,240	(147,240)	-
Total liabilities, deferred inflows of resources and fund balances	\$ 190,151		
Net position (deficit)			
Unrestricted		(14,773,039)	(14,773,039)
Total net position (deficit)		\$ (14,773,039)	\$ (14,773,039)

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CITY OF TROY, MICHIGAN

Reconciliation Fund Balances for Governmental Funds to Net Position of Governmental Activities Downtown Development Authority June 30, 2016

Fund balances - total governmental funds \$ 147,240

Amounts reported for *governmental activities* in the statement of net position are different because:

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance.

Add: deferred inflows 42,911

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct: accrued interest payable (113,611)
Deduct: deferred gain on refunding (424,579)
Deduct: debt reimbursement payable - current portion (260,000)
Deduct: debt reimbursement payable - long-term portion (14,165,000)

Net position of governmental activities \$ (14,773,039)

CITY OF TROY, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances Downtown Development Authority For the Year Ended June 30, 2016

	Operating	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 1,074,129	\$ (6,086)	\$ 1,068,043
Investment earnings	4,883	-	4,883
Total revenues	1,079,012	(6,086)	1,072,926
Expenditures/expenses			
Economic development	183,296	-	183,296
Debt service:			
Principal	260,000	(260,000)	-
Interest	691,013	(25,103)	665,910
Total expenditures/expenses	1,134,309	(285,103)	849,206
Net change in fund balances/ net position	(55,297)	279,017	223,720
Fund balance/net position (deficit), beginning of year	202,537	(15,199,296)	(14,996,759)
Fund balance/net position (deficit), end of year	<u>\$ 147,240</u>	<u>\$ (14,920,279)</u>	<u>\$ (14,773,039)</u>

CITY OF TROY, MICHIGAN

Reconciliation Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities Downtown Development Authority For the Year Ended June 30, 2016

Net change in fund balances - total governmental funds \$ (55,297)

Amounts reported for *governmental activities* in the statement of activities are different because:

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred inflows to the following fiscal year.
Deduct: net difference in deferred inflows (6,086)

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.
Add: principal payments on long-term liabilities 260,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.
Add: decrease in accrued interest expense 25,103

Change in net position of governmental activities \$ 223,720

CITY OF TROY, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet Local Development Financing Authority June 30, 2016

	Operating	Adjustments	Statement of Net Position
Assets			
Cash and investments	\$ 117,466	\$ -	\$ 117,466
Liabilities			
Accounts payable	\$ 1,320	-	1,320
Accrued liabilities	89,735	-	89,735
Total liabilities	91,055	-	91,055
Fund balance			
Unassigned	26,411	(26,411)	-
Total liabilities and fund balance	\$ 117,466		
Net position			
Unrestricted		26,411	26,411
Total net position		\$ 26,411	\$ 26,411

CITY OF TROY, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Change in Fund Balance Local Development Financing Authority For the Year Ended June 30, 2016

	Operating	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 178,725	\$ -	\$ 178,725
Investment earnings	2,231	-	2,231
Total revenues	180,956	-	180,956
Expenditures/expenses			
Economic development	167,378	-	167,378
Net change in fund balance/net position	13,578	-	13,578
Fund balance/net position, beginning of year	12,833	-	12,833
Fund balance/net position, end of year	\$ 26,411	\$ -	\$ 26,411

CITY OF TROY, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet Brownfield Redevelopment Authority

June 30, 2016

	Operating	Adjustments	Statement of Net Position
Assets			
Cash and investments	\$ 360,044	\$ -	\$ 360,044
Revolving loans receivable	412,510	-	412,510
Total assets	<u>\$ 772,554</u>	<u>-</u>	<u>772,554</u>
Deferred inflows of resources			
Unavailable revenue - loans receivable	\$ 412,510	(412,510)	-
Fund balance			
Unassigned	360,044	(360,044)	-
Total liabilities, deferred inflows and fund balance	<u>\$ 772,554</u>		
Net Position			
Unrestricted		772,554	772,554
Total net position		<u>\$ 772,554</u>	<u>\$ 772,554</u>
Reconciliation:			
Fund Balance for Governmental Fund to Net Position of Governmental Activities			
Fund balance - governmental fund			\$ 360,044
Amounts reported for governmental activities in statement of net position are different because:			
The focus of governmental funds is on short-term financing. Some assets will not be available to pay for current period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance.			412,510
Net position of government activities			<u>\$ 772,554</u>

CITY OF TROY, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Change in Fund Balance Brownfield Redevelopment Authority For the Year Ended June 30, 2016

	Operating	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 94,085	\$ (67,609)	\$ 26,476
Investment earnings	5,533	-	5,533
Total revenues	99,618	(67,609)	32,009
Expenditures/expenses			
Community and economic development	9,708	-	9,708
Net change in fund balance/net position	89,910	(67,609)	22,301
Fund balance/net position, beginning of year	270,134	480,119	750,253
Fund balance/net position, end of year	\$ 360,044	\$ 412,510	\$ 772,554
Reconciliation:			
Net Changes in Fund Balance of Governmental Fund to Change in Net Position of Statement of Activities			
Net change in fund balance - governmental activities			\$ 89,910
Amount reported for governmental activities in statement of activities are different because:			
Additional tax capture for interest and administrative fees is not recognized until available in governmental funds, but recognized when earned for the purpose of net position in the statement of activities.			(67,609)
Change in net position of governmental activities			\$ 22,301

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STATISTICAL SECTION

CITY OF TROY, MICHIGAN

Statistical Section Table of Contents

This part of the City’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents		Page
Financial Trends	These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	139
Revenue Capacity	These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	145
Debt Capacity	These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	149
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	155
Operating Information	These schedules contain serve and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	157
Continuing Disclosure	Information contained herein complies with Rule 15c2-12, a federal regulation promulgated by the Securities and Exchange Commission, designed to improve disclosure practices in the municipal bond market.	164

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

CITY OF TROY, MICHIGAN

Net Position by Component
(Accrual Basis of Accounting)

Unaudited

	Fiscal Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 153,793,099	\$ 157,447,608	\$ 164,045,115	\$ 170,829,690	\$ 174,656,911	\$ 175,292,324	\$ 179,616,224	\$ 168,722,287	\$ 178,865,098	\$ 194,299,483
Restricted	34,119,273	34,552,624	31,704,901	26,293,289	19,293,248	16,096,939	18,414,931	25,024,969	24,785,605	19,460,570
Unrestricted	33,414,001	31,970,878	30,192,218	33,877,687	38,429,041	48,526,117	54,304,874	65,673,197	82,121,441	79,865,292
Total governmental activities net position	\$ 221,326,373	\$ 223,971,110	\$ 225,942,234	\$ 231,000,666	\$ 232,379,200	\$ 239,915,380	\$ 252,336,029	\$ 259,420,453	\$ 285,772,144	\$ 293,625,345
Business-type activities										
Net investment in capital assets	\$ 105,920,417	\$ 107,889,998	\$ 111,070,571	\$ 116,929,920	\$ 117,612,994	\$ 118,170,260	\$ 117,311,016	\$ 118,730,653	\$ 119,825,109	\$ 127,611,126
Unrestricted	43,142,406	46,259,322	44,948,474	43,046,756	45,052,579	47,550,528	51,044,950	48,878,034	45,659,008	38,593,816
Total business-type activities net position	\$ 149,062,823	\$ 154,149,320	\$ 156,019,045	\$ 159,976,676	\$ 162,665,573	\$ 165,720,788	\$ 168,355,966	\$ 167,608,687	\$ 165,484,117	\$ 166,204,942
Primary government										
Net investment in capital assets	\$ 259,713,516	\$ 265,337,606	\$ 275,115,686	\$ 287,759,610	\$ 292,269,905	\$ 293,462,584	\$ 296,927,240	\$ 287,452,940	\$ 298,690,207	\$ 321,910,609
Restricted	34,119,273	34,552,624	31,704,901	26,293,289	19,293,248	16,096,939	18,414,931	25,024,969	24,785,605	19,460,570
Unrestricted	76,556,407	78,230,200	75,140,692	76,924,443	83,481,620	96,076,645	105,349,824	114,551,231	127,780,449	118,459,108
Total primary government net position	\$ 370,389,196	\$ 378,120,430	\$ 381,961,279	\$ 390,977,342	\$ 395,044,773	\$ 405,636,168	\$ 420,691,995	\$ 427,029,140	\$ 451,256,261	\$ 459,830,287

Note: GASB Statement No. 68 was implemented for the year ended June 30, 2015; however, prior years were not restated.

CITY OF TROY, MICHIGAN

Changes in Net Position (Accrual Basis of Accounting) Unaudited

	Fiscal Year Ended June 30										2016	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Expenses												
Governmental activities:												
General government	\$ 12,601,536	\$ 9,719,442	\$ 10,093,396	\$ 10,480,528	\$ 10,057,545	\$ 9,677,191	\$ 8,459,810	\$ 9,875,913	\$ 10,449,379	\$ 11,305,100		
Public safety	30,436,286	31,450,783	31,597,944	31,300,208	30,776,101	27,228,933	26,878,737	28,860,117	35,744,673	31,023,545		
Public works	20,864,379	16,064,613	15,869,334	15,000,517	14,812,707	13,703,006	13,626,846	15,478,239	17,224,145	16,269,932		
Sanitation	4,529,666	3,893,842	3,961,658	3,994,706	4,110,330	4,216,260	4,331,500	4,267,388	4,606,627	4,517,499		
Community and economic development	149,357	2,013,127	1,838,697	1,460,081	1,030,929	854,593	1,366,075	16,303,702	1,018,643	955,880		
Recreation and culture	15,189,313	14,209,839	14,872,286	12,573,922	9,865,320	8,812,144	9,432,683	10,091,847	10,248,458			
Interest on long-term debt	1,618,860	1,572,470	1,440,456	650,484	665,356	1,101,675	1,019,021	1,065,510	1,444,384	1,344,219		
Total governmental activities expenses	\$ 85,389,397	\$ 78,924,116	\$ 79,673,771	\$ 75,460,446	\$ 71,318,288	\$ 65,593,802	\$ 64,827,261	\$ 85,283,552	\$ 80,579,698	\$ 75,664,633		
Business-type activities:												
Water	\$ 13,951,978	\$ 13,808,288	\$ 12,704,768	\$ 12,474,578	\$ 12,439,089	\$ 13,904,820	\$ 14,434,204	\$ 15,479,500	\$ 15,767,708	\$ 18,508,493		
Sanitary sewer	9,705,247	9,576,883	9,046,402	9,145,016	10,400,332	11,767,038	12,215,434	12,864,584	12,807,380	12,584,209		
Aquatic center	688,236	592,653	597,942	561,343	565,873	566,978	543,834	531,369	583,709	700,430		
Sylvan Glen Golf course	1,085,421	1,110,038	1,098,361	1,087,120	1,021,420	1,061,139	1,052,043	1,096,974	1,130,082	1,143,351		
Sanctuary Lake Golf course	1,683,553	1,624,625	1,634,836	1,632,244	1,523,616	1,821,384	1,676,239	1,735,921	1,733,846	1,900,990		
Total business-type activities expenses	\$ 27,114,435	\$ 26,712,487	\$ 25,082,309	\$ 24,900,301	\$ 25,950,330	\$ 29,121,359	\$ 29,921,754	\$ 31,708,348	\$ 32,022,725	\$ 34,837,473		
Total primary government expenses	\$ 112,503,832	\$ 105,636,603	\$ 104,756,080	\$ 100,360,747	\$ 97,268,618	\$ 94,715,161	\$ 94,749,015	\$ 116,991,900	\$ 112,602,423	\$ 110,502,106		
Program revenues												
Governmental activities:												
Charges for services:												
General government	\$ 2,245,026	\$ 2,391,745	\$ 2,277,395	\$ 2,792,387	\$ 3,017,126	\$ 3,039,578	\$ 3,114,515	\$ 3,241,183	\$ 3,783,480	\$ 3,766,949		
Public safety	3,059,322	3,132,235	2,579,487	2,606,050	2,912,838	3,219,618	3,545,823	4,076,054	4,691,450	4,451,076		
Public works	1,927,982	1,613,717	1,579,964	1,912,056	1,696,240	2,357,325	2,223,031	2,634,542	3,364,953	3,335,490		
Sanitation	2,275	3,510	6,993	4,796	4,860	5,700	6,012	6,358	6,590	8,630		
Recreation and culture	4,546,308	4,617,520	4,398,056	4,484,145	3,850,470	3,444,462	3,651,142	3,536,383	3,589,925	3,587,481		
Operating grants and contributions	932,693	979,113	967,159	1,057,307	1,474,950	912,173	1,196,458	835,352	1,097,166	760,549		
Capital grants and contributions	6,552,433	6,870,969	9,963,345	8,590,800	6,895,652	6,723,177	10,435,694	23,832,070	10,447,244	11,466,690		
Total governmental activities program revenues	\$ 19,266,039	\$ 19,608,809	\$ 21,772,399	\$ 21,447,541	\$ 19,852,136	\$ 19,702,033	\$ 24,172,675	\$ 38,161,942	\$ 26,980,808	\$ 27,376,865		

continued...

(Continued)

Fiscal Year Ended June 30

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Water	\$ 14,652,417	\$ 15,684,590	\$ 13,227,113	\$ 13,968,516	\$ 14,139,274	\$ 15,923,727	\$ 15,965,202	\$ 15,078,684	\$ 14,626,110	\$ 17,465,511
Sanitary sewer	11,291,515	11,612,763	9,750,202	10,372,640	11,917,175	13,177,412	12,978,863	12,451,888	11,900,157	12,470,724
Aquatic center	322,111	438,432	486,671	451,670	503,685	577,757	481,424	532,293	431,141	728,589
Sylvan Glen Golf course	1,125,895	1,137,679	1,178,497	1,128,192	1,024,216	1,290,051	1,173,838	984,908	1,128,968	1,291,367
Sanctuary Lake Golf course	1,052,986	985,503	923,692	968,687	940,775	1,442,755	1,295,277	1,335,433	1,375,137	1,809,386
Operating grants and contributions	-	-	-	-	-	-	-	-	19,153	-
Capital grants and contributions	1,012,829	643,394	1,025,250	299,239	221,561	150,603	528,416	262,237	285,963	1,104,132
Total business-type activities program revenues	\$ 29,457,753	\$ 30,502,361	\$ 26,591,425	\$ 27,188,944	\$ 28,746,686	\$ 32,562,305	\$ 32,423,020	\$ 30,645,443	\$ 29,766,629	\$ 34,869,709
Total primary government program revenues	\$ 48,723,792	\$ 50,111,170	\$ 48,363,824	\$ 48,636,485	\$ 48,598,822	\$ 52,264,338	\$ 56,595,695	\$ 68,807,385	\$ 56,747,437	\$ 62,246,574
Net (Expense)/Revenue	\$ (66,123,358)	\$ (59,315,307)	\$ (57,901,372)	\$ (54,012,905)	\$ (51,466,152)	\$ (45,891,769)	\$ (40,654,586)	\$ (47,121,610)	\$ (53,598,890)	\$ (48,287,768)
Governmental activities	2,343,318	3,789,874	1,509,116	2,288,643	2,796,356	3,440,946	2,501,266	(1,062,905)	(2,256,096)	32,236
Business-type activities	\$ (63,780,040)	\$ (55,525,433)	\$ (56,392,256)	\$ (51,724,262)	\$ (48,669,796)	\$ (42,450,823)	\$ (38,153,320)	\$ (48,184,515)	\$ (55,854,986)	\$ (48,255,532)
Total primary government net expense	\$ (61,436,722)	\$ (51,735,559)	\$ (54,883,140)	\$ (49,435,619)	\$ (45,873,440)	\$ (39,009,877)	\$ (35,652,054)	\$ (49,247,020)	\$ (58,111,083)	\$ (56,023,296)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 50,488,216	\$ 51,002,080	\$ 51,041,101	\$ 50,673,061	\$ 46,067,375	\$ 46,295,903	\$ 46,419,615	\$ 46,759,393	\$ 46,993,478	\$ 48,369,185
State-shared revenues	6,635,508	6,633,938	6,313,999	5,615,666	5,615,666	6,136,066	6,279,381	6,435,145	6,541,560	6,535,632
Grants & contrib. not restricted	175,543	37,398	103,151	1,207,291	8,652	33,400	50,485	54,535	22,848	24,472
Interest and investment earnings	4,588,419	3,425,379	1,861,698	785,025	537,935	245,077	185,302	424,286	258,208	1,079,714
Miscellaneous	118,565	179,109	131,037	163,134	123,038	121,187	140,452	532,674	523,636	131,968
Transfers	(1,856,960)	682,140	704,200	627,160	492,020	596,316	-	-	-	-
Total governmental activities	\$ 60,149,291	\$ 61,960,044	\$ 60,155,186	\$ 59,071,337	\$ 52,844,686	\$ 53,427,949	\$ 53,075,235	\$ 54,206,033	\$ 54,339,730	\$ 56,140,971
Business-type activities:										
Grants & contrib. not restricted	\$ 215,292	\$ 14,882	\$ 616	\$ 301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	2,104,233	1,963,881	1,064,193	487,698	384,561	210,585	133,912	305,126	131,526	681,643
Miscellaneous	-	-	-	4,800	-	-	-	10,500	-	6,946
Transfers	(643,040)	(682,140)	(704,200)	(627,160)	(492,020)	(596,316)	-	-	-	-
Total business-type activities	\$ 1,676,485	\$ 1,296,623	\$ 360,609	\$ (134,361)	\$ (107,459)	\$ (385,731)	\$ 133,912	\$ 315,626	\$ 131,526	\$ 688,589
Total primary government	\$ 61,825,776	\$ 63,256,667	\$ 60,515,795	\$ 58,936,976	\$ 52,737,227	\$ 53,042,218	\$ 53,209,147	\$ 54,521,659	\$ 54,471,256	\$ 56,829,560
Change in Net Position										
Governmental activities	\$ (5,974,067)	\$ 2,644,737	\$ 2,253,814	\$ 5,058,432	\$ 1,378,534	\$ 7,536,180	\$ 12,420,649	\$ 7,084,423	\$ 740,840	\$ 7,853,203
Business-type activities	4,019,803	5,086,497	1,869,725	2,154,282	2,688,897	3,055,215	2,635,178	(747,279)	(2,124,570)	720,825
Total primary government	\$ (1,954,264)	\$ 7,731,234	\$ 4,123,539	\$ 7,212,714	\$ 4,067,431	\$ 10,591,395	\$ 15,055,827	\$ 6,337,144	\$ (1,383,730)	\$ 8,574,028

CITY OF TROY, MICHIGAN

Fund Balances, Governmental Funds

Unaudited

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	For Fiscal Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Non-spendable	\$ 695,992	\$ 617,505	\$ 623,544	\$ 447,720	\$ 4,034,119	\$ 3,884,686	\$ 4,369,038	\$ 4,417,528	\$ 5,287,206	\$ 5,669,290
Restricted	-	-	-	-	1,508,257	1,514,118	1,525,598	1,534,139	1,538,879	1,563,203
Committed	-	-	-	3,400,000	3,610,131	1,517,000	2,771,300	6,622,968	-	-
Assigned	-	-	-	9,171,895	5,953,000	3,655,000	3,148,000	3,162,000	8,075,520	5,312,270
Unassigned	24,169,595	23,015,257	20,690,932	10,722,271	12,359,648	23,340,380	24,946,170	21,856,139	19,716,862	20,062,397
Total general fund	\$ 24,865,587	\$ 23,632,762	\$ 21,314,476	\$ 23,741,886	\$ 27,465,155	\$ 33,911,184	\$ 36,760,106	\$ 37,592,774	\$ 34,618,467	\$ 32,607,160
All other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,200	\$ 160,579	\$ 224,977	\$ 200,512	\$ 196,900
Restricted	34,119,273	34,552,624	31,704,901	8,294,105	12,047,688	15,938,739	18,472,876	21,023,992	23,781,735	19,510,120
Committed	-	-	-	89,400	7,245,560	2,662,187	3,099,166	3,776,000	803,358	2,720,822
Assigned	-	-	-	17,909,784	-	-	-	-	-	-
Total all other governmental funds	\$ 34,119,273	\$ 34,552,624	\$ 31,704,901	\$ 26,293,289	\$ 19,293,248	\$ 18,759,126	\$ 21,732,621	\$ 25,024,969	\$ 24,785,605	\$ 22,427,842

CITY OF TROY, MICHIGAN

Changes in Fund Balances, Governmental Funds

Unaudited

Last Ten Years

(Modified Accrual Basis of Accounting)

	For Fiscal Year Ended June 30										2016	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Revenues												
Property taxes	\$ 50,696,911	\$ 51,270,756	\$ 51,092,129	\$ 50,828,551	\$ 46,082,673	\$ 46,450,199	\$ 46,470,104	\$ 46,739,163	\$ 47,032,046	\$ 48,181,711		
Licenses and permits	1,491,958	1,393,635	1,237,191	1,113,809	1,259,748	1,686,633	2,254,775	2,429,459	2,896,533	2,519,342		
Intergovernmental - federal	551,965	1,279,824	4,884,314	3,185,364	2,171,633	1,040,037	5,119,153	3,189,800	1,909,795	2,492,626		
Intergovernmental - state	11,805,209	11,990,426	11,345,811	10,494,294	10,504,385	11,384,502	11,673,045	12,238,420	14,532,201	14,016,525		
Intergovernmental - local	765,823	758,058	465,212	908,398	1,039,709	614,530	786,068	31,209	587,902	1,401,455		
Charges for services	8,338,480	8,109,915	7,782,945	8,151,713	7,335,759	7,660,204	7,760,295	8,378,616	9,375,710	9,636,700		
Fines and forfeits	1,243,286	1,483,784	1,054,161	1,226,729	1,277,705	1,154,999	902,183	1,396,241	1,418,354	1,183,571		
Investment income	3,942,955	2,782,486	1,592,062	643,073	430,899	186,897	154,351	348,625	224,322	865,229		
Other	2,046,840	1,924,977	1,999,943	3,347,701	1,967,075	2,330,595	2,007,022	2,042,877	3,086,024	2,948,266		
Total revenues	80,883,427	80,993,861	81,453,768	79,899,632	72,069,586	72,508,596	77,126,996	76,794,410	81,062,887	83,245,425		
Expenditures												
General government	9,118,399	9,181,757	9,167,749	8,562,924	8,232,791	7,499,219	7,409,887	6,621,292	6,992,997	7,338,404		
Public safety	29,575,908	30,764,667	31,042,277	30,902,648	29,899,440	26,644,367	27,371,783	28,082,145	31,108,472	28,611,021		
Roads and Streets	4,754,166	5,600,748	5,687,378	4,844,712	4,799,035	4,159,761	4,257,865	5,675,847	5,638,918	5,372,214		
Other Public Works	2,676,716	2,676,845	2,525,114	2,043,464	1,756,490	1,680,731	1,779,928	-	-	-		
Sanitation	4,528,962	3,892,487	3,961,794	3,996,065	4,109,985	4,216,324	4,331,560	4,267,898	4,606,610	4,517,910		
Community & Economic Dev.	116,091	115,981	195,216	127,522	148,800	133,712	621,439	18,327,123	3,207,237	3,186,003		
Recreation and culture	13,412,739	14,431,267	13,830,413	12,231,424	9,067,491	8,060,815	8,243,322	8,556,099	9,186,959	9,457,699		
Capital outlay	11,856,766	12,322,730	17,176,377	17,062,105	14,244,384	11,130,331	13,670,400	13,725,931	19,554,175	24,973,022		
Debt service												
Principal	1,917,957	1,968,296	2,225,309	2,304,692	2,496,586	2,536,167	2,626,776	2,691,746	2,832,182	2,922,716		
Interest and other charges	1,639,410	1,471,759	1,461,569	1,375,693	1,248,479	1,119,964	1,042,839	1,126,667	1,505,715	1,407,944		
Total expenditures	79,597,114	82,426,537	87,273,196	83,451,249	76,003,481	67,181,391	71,355,799	89,074,748	84,633,265	87,786,933		
Excess of revenues over (under) expenditures	1,286,313	(1,432,676)	(5,819,428)	(3,551,617)	(3,933,895)	5,327,205	5,771,197	(12,280,338)	(3,570,378)	(4,541,508)		
Other financing sources (uses)												
Issuance of debt	41,440	3,505,000	181,379	11,321,816	9,110,000	-	-	14,945,000	-	-		
Proceeds from sale of capital assets	748,221	47,902	131,205	-	61,373	-	51,220	273,700	415,717	172,438		
Payments to escrow agents	-	(3,601,840)	-	(11,261,350)	(9,919,004)	-	-	-	-	-		
Premium on Debt Issuance	-	-	-	-	947,639	-	-	-	-	-		
Transfers in	13,965,781	12,260,233	11,066,116	10,441,542	9,229,240	8,803,101	8,648,930	13,742,158	15,247,847	18,223,266		
Transfers out	(16,972,741)	(11,578,093)	(10,442,591)	(9,934,593)	(8,772,125)	(8,218,400)	(8,648,930)	(13,292,158)	(15,306,857)	(18,223,266)		
Total other financing sources (uses)	(2,217,299)	633,202	936,109	567,415	657,123	584,701	51,220	15,668,700	356,707	172,438		
Net change in fund balances	\$ (930,986)	\$ (799,474)	\$ (4,883,319)	\$ (2,984,202)	\$ (3,276,772)	\$ 5,911,906	\$ 5,822,417	\$ 3,388,362	\$ (3,213,671)	\$ (4,369,070)		
Debt service as a percentage of noncapital expenditures	5.3%	4.9%	5.3%	5.5%	6.1%	6.5%	6.4%	5.1%	6.7%	6.9%		

CITY OF TROY, MICHIGAN

General Governmental Tax Revenue by Source Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30	Governmental Activities						Total All Property Taxes
	General	Refuse	Library	Capital	General Debt Service		
2007	\$ 35,679,836	\$ 4,254,241	\$ -	\$ 8,200,947	\$ 2,561,887	\$	\$ 50,696,911
2008	36,667,821	3,563,759	-	8,385,316	2,653,860		51,270,756
2009	36,487,455	3,564,456	-	8,386,956	2,653,262		51,092,129
2010	36,362,516	3,900,932	-	7,957,902	2,607,201		50,828,551
2011	32,550,858	4,057,573	-	7,137,343	2,321,601		46,067,375
2012	30,424,031	4,168,478	3,037,539	6,645,570	2,020,285		46,295,903
2013	29,612,174	4,446,398	2,962,459	6,481,465	2,917,119		46,419,615
2014	29,591,708	4,647,626	2,982,973	6,526,304	3,010,782		46,759,393
2015	29,844,976	4,595,925	3,004,907	6,574,245	2,973,425		46,993,478
2016	30,673,539	4,733,992	3,083,735	6,771,668	3,106,251		48,369,185

CITY OF TROY, MICHIGAN

Property Tax Levies and Collections Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30	Total Tax Levy	Current Tax Collections	Percentage of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections To Date	Percentage of Total Tax Collections To Total Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes To Total Tax Levy
2007	\$ 48,338,412	\$ 47,306,612	97.87%	\$ 923,002	\$ 48,229,614	99.77%	\$ 108,773	0.23%
2008	48,667,887	47,589,455	97.78%	1,037,838	48,627,293	99.92%	107,492	0.22%
2009	48,676,220	47,420,544	97.42%	771,027	48,191,571	99.00%	120,221	0.25%
2010	48,273,658	47,388,992	98.17%	766,850	48,155,842	99.76%	116,780	0.24%
2011	43,852,179	42,664,592	97.29%	1,095,386	43,759,978	99.79%	92,200	0.21%
2012	44,257,157	43,064,206	97.30%	1,108,768	44,172,974	99.81%	84,183	0.19%
2013	44,391,807	43,575,998	98.16%	729,657	44,305,655	99.81%	86,153	0.19%
2014	45,071,690	44,160,748	97.98%	609,614	44,770,362	99.33%	101,328	0.22%
2015	45,097,245	44,545,996	98.78%	483,614	45,029,610	99.85%	57,632	0.13%
2016	46,462,301	45,764,152	98.50%	615,231	46,379,383	99.82%	82,964	0.18%

CITY OF TROY, MICHIGAN

Unaudited

Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(Per \$1,000 of Assessed Valuation)

Fiscal Year Ended June 30	City of Troy										Overlapping Governments							Total
	General	Capital	Refuse	Debt	Library	Total	Troy School District	Oakland County	Oakland County College	Intermediate School District	SMART	State Education	Zoo	Art				
2007 H	6.50	1.60	0.83	0.50	-	9.43	9.87	4.65	1.58	3.37	0.59	6.00	-	-	35.49			
2007 NH	6.50	1.60	0.83	0.50	-	9.43	22.13	4.65	1.58	3.37	0.59	6.00	-	-	47.75			
2008 H	6.50	1.60	0.68	0.50	-	9.28	9.42	4.65	1.58	3.37	0.59	6.00	-	-	34.89			
2008 NH	6.50	1.60	0.68	0.50	-	9.28	22.13	4.65	1.58	3.37	0.59	6.00	-	-	47.60			
2009 H	6.50	1.60	0.68	0.50	-	9.28	8.72	4.65	1.58	3.37	0.59	6.00	0.10	-	34.29			
2009 NH	6.50	1.60	0.68	0.50	-	9.28	22.10	4.65	1.58	3.37	0.59	6.00	0.10	-	47.67			
2010 H	6.50	1.53	0.75	0.50	-	9.28	8.77	4.65	1.58	3.37	0.59	6.00	0.10	-	34.34			
2010 NH	6.50	1.53	0.75	0.50	-	9.28	22.10	4.65	1.58	3.37	0.59	6.00	0.10	-	47.67			
2011 H	6.50	1.53	0.87	0.50	-	9.40	9.74	4.65	1.58	3.37	0.59	6.00	0.10	-	35.43			
2011 NH	6.50	1.53	0.87	0.50	-	9.40	22.73	4.65	1.58	3.37	0.59	6.00	0.10	-	48.42			
2012 H	6.50	1.53	0.96	0.50	0.70	10.19	10.16	4.65	1.58	3.37	0.59	6.00	0.10	-	36.64			
2012 NH	6.50	1.53	0.96	0.50	0.70	10.19	22.73	4.65	1.58	3.37	0.59	6.00	0.10	-	49.21			
2013 H	6.50	1.53	1.05	0.70	0.70	10.48	10.51	4.65	1.58	3.37	0.59	6.00	0.10	0.20	37.48			
2013 NH	6.50	1.53	1.05	0.70	0.70	10.48	22.95	4.65	1.58	3.37	0.59	6.00	0.10	0.20	49.92			
2014 H	6.50	1.53	1.09	0.70	0.70	10.52	10.07	4.65	1.58	3.37	0.59	6.00	0.10	0.20	37.08			
2014 NH	6.50	1.53	1.09	0.70	0.70	10.52	22.95	4.65	1.58	3.37	0.59	6.00	0.10	0.20	49.96			
2015 H	6.50	1.53	1.07	0.70	0.70	10.50	9.96	4.65	1.58	3.37	1.00	6.00	0.10	0.20	37.36			
2015 NH	6.50	1.53	1.07	0.70	0.70	10.50	22.59	4.65	1.58	3.37	1.00	6.00	0.10	0.20	49.99			
2016 H	6.50	1.53	1.07	0.70	0.70	10.50	9.69	4.55	1.58	3.36	1.00	6.00	0.10	0.20	36.98			
2016 NH	6.50	1.53	1.07	0.70	0.70	10.50	22.58	4.55	1.58	3.36	1.00	6.00	0.10	0.20	49.87			

H - Homestead
NH - Non-Homestead

CITY OF TROY, MICHIGAN

Assessed Value and Taxable Value of Property Last Ten Fiscal Years Unaudited

Assessment Date	Levy Date	Fiscal Year Ended	Residential Property	Commercial Property	Industrial Property	Personal Property	Total Gross Taxable Value	Michigan Tax Tribunals, Board of Reviews and TIFs	Net Taxable Value	Total Direct Tax Rate	Assessed Value	Taxable Value as a Percentage of Assessed Value
12/31/2005	7/01/2006	6/30/2007	\$ 3,076,070,702	\$ 1,376,175,120	\$ 502,914,670	\$ 479,874,950	\$ 5,435,035,442	\$ (31,392,191)	\$ 5,403,643,251	9.43	\$ 6,608,804,750	82.24%
12/31/2006	7/01/2007	6/30/2008	3,187,596,017	1,388,201,850	510,504,920	464,213,650	5,550,516,437	(13,406,312)	5,537,110,125	9.28	6,422,659,810	86.42%
12/31/2007	7/01/2008	6/30/2009	3,196,824,810	1,399,118,520	509,100,180	457,552,500	5,562,596,010	(32,906,185)	5,529,689,825	9.28	6,227,094,050	89.33%
12/31/2008	7/01/2009	6/30/2010	3,134,086,995	1,370,377,371	507,215,340	448,100,230	5,459,779,936	(45,949,620)	5,413,830,316	9.28	5,838,889,239	93.51%
12/31/2009	7/01/2010	6/30/2011	2,788,952,055	1,207,199,537	439,470,690	407,990,730	4,843,613,012	(187,025,599)	4,656,587,413	9.4	4,988,518,313	97.10%
12/31/2010	7/01/2011	6/30/2012	2,631,131,230	1,192,065,320	241,468,720	384,084,890	4,448,750,160	(115,608,486)	4,333,141,674	10.19	4,540,412,680	97.98%
12/31/2011	7/01/2012	6/30/2013	2,643,043,570	973,996,760	300,554,800	395,096,920	4,312,692,050	(93,614,668)	4,219,077,382	10.48	4,410,108,900	97.79%
12/31/2012	7/01/2013	6/30/2014	2,704,214,970	908,560,198	283,393,700	414,094,580	4,310,263,448	(63,630,562)	4,246,632,886	10.52	4,491,432,340	95.97%
12/31/2013	7/01/2014	6/30/2015	2,790,011,280	878,242,440	277,484,950	425,887,200	4,371,625,870	(93,053,718)	4,278,572,152	10.50	4,827,541,740	90.56%
12/31/2014	7/01/2015	6/30/2016	2,894,875,560	891,581,610	281,097,400	437,230,620	4,504,785,190	(98,475,692)	4,406,309,498	10.50	5,313,611,700	84.78%
12/31/2015	7/01/2016	6/30/2017	2,977,938,320	893,540,330	286,584,670	381,971,050	4,540,034,370	TBD	4,540,034,370	10.40	5,626,878,870	80.68%

Source: City of Troy Assessing records

Note: The estimated assessed value is calculated using a 12-month sales study updated annually.

Proposal "A", as passed by the citizens of Michigan, took effect in 1994. This Proposal created two new categories for tax and assessment purposes (taxable value and capped value). Assessed value was unchanged by the Proposal, and remains at 50% of the market value of a property.

Taxable value is the amount upon which millage rate (taxes) are now levied. Taxable value is defined as the lesser of assessed value or capped value.

Capped value is calculated by taking the previous year's taxable value, minus any losses in value, multiplied by the inflation rate or 5% (whichever is less) plus any new construction.

This Proposal also mandated that the taxable value and assessed value were to be equal for the year following a transfer of ownership (as defined by the statutes), and then the capping process would begin anew.

The taxable and assessed valuation of taxable property is determined as of December 31st of each year.

CITY OF TROY, MICHIGAN

Top Ten Principal Taxpayers Unaudited

Current Year and Nine Years Ago

Taxpayer	Fiscal Year Ended 6/30/2007			Fiscal Year Ended 6/30/2016		
	Taxable Value	Rank	Percentage of Total City Taxable Value	Taxable Value	Rank	Percentage of Total City Taxable Value
<u>Frankel Forbes Cohen</u>	\$ 64,659,870	1	1.19%	\$ 52,400,450	1	1.16%
<u>Nykel Management</u>	40,726,630	3	0.75%	21,086,680	5	0.47%
888 W Big Beaver Associates	33,211,240	5	0.61%	23,040,370	4	0.51%
Liberty Property L.P.	44,522,510	2	0.82%	25,436,450	3	0.56%
<u>Detroit Edison</u>	33,492,740	4	0.62%	33,131,780	2	0.74%
<u>Kelly Services</u>	32,362,130	6	0.60%	20,345,530	6	0.45%
Riggs & Company (Columbia Centers)	29,623,050	7	0.55%	20,282,110	7	0.45%
Teachers Insurance	27,812,420	10	0.51%	16,811,060	9	0.37%
Oakland Mall LLC	29,151,420	8	0.54%	15,764,770	10	0.35%
<u>Standard Federal Bank (Bank of Am.)</u>	27,965,270	9	0.51%	18,046,910	8	0.40%
Total Top Ten	\$ 363,527,280			\$ 246,346,110		
Total % of City T/V			6.69%			5.47%
Total City T/V	\$ 5,435,035,442			\$ 4,504,785,190		

*Underlined & Italic appear in both years.

CITY OF TROY, MICHIGAN

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total Outstanding Debt	Percentage of Personal Income	Debt Per Capita
	General Obligation & County Issued Bonds		Business Type Activities	Bonds and Leases			
2007	\$ 37,280,131	\$	\$ 11,600,000	\$	48,880,131	1.55%	\$ 558
2008	35,333,976		11,300,000		46,633,976	1.47%	530
2009	33,290,046		11,000,000		44,290,046	1.29%	544
2010	30,670,062		10,700,000		41,370,062	1.21%	509
2011	27,783,479		10,300,000		38,083,479	1.14%	470
2012	25,247,312		9,900,000		35,147,312	1.04%	428
2013	22,620,536		11,160,759		33,781,295	0.99%	408
2014	35,575,364		10,653,108		46,228,472	1.35%	555
2015	32,708,103		10,092,661		42,800,764	1.25%	514
2016	29,750,308		9,334,334		39,084,642	1.14%	470

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF TROY, MICHIGAN

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Governmental Expenditures	Percentage of Debt Service to General Government Expenditures
2007	\$ 1,700,000	\$ 1,542,756	\$ 3,242,756	\$ 67,425,737	4.81%
2008	1,790,000	1,388,255	3,178,255	69,842,007	4.55%
2009	2,045,000	1,377,508	3,422,508	69,832,449	4.90%
2010	2,065,000	1,292,143	3,357,143	66,065,902	5.08%
2011	2,300,000	1,245,789	3,545,789	61,499,991	5.77%
2012	2,335,000	1,045,189	3,380,189	55,627,231	6.08%
2013	2,420,000	973,354	3,393,354	57,288,668	5.92%
2014	2,480,000	1,090,225	3,570,225	75,062,875	4.76%
2015	2,615,000	1,447,174	4,062,174	64,791,748	6.27%
2016	2,700,000	1,355,075	4,055,075	62,507,401	6.49%

Includes General, Special Revenue and Debt Service Funds.

CITY OF TROY, MICHIGAN

Computation of Direct and Overlapping Debt

Unaudited

June 30, 2016

Jurisdiction	Net General Bonded Debt Outstanding	Percentage Applicable to Troy	Amount Applicable to Troy
City of Troy	\$ 29,750,308	100.00%	\$ 29,750,308
Avondale School District	120,571,600	19.94%	24,041,977
Birmingham School District	211,450,000	3.69%	7,802,505
Bloomfield Hills School District	54,450,000	2.18%	1,187,010
Lamphere School District	4,700,000	14.83%	697,010
Royal Oak School District	33,715,000	2.29%	772,074
Troy School District	111,925,000	100.00%	111,925,000
Warren School District	184,565,000	7.68%	14,174,592
Oakland County	403,326,276	8.68%	35,008,721
Oakland Intermediate School District	46,680,000	8.18%	3,818,424
Oakland County Community College	<u>1,605,000</u>	8.74%	<u>140,277</u>
Total overlapping debt	<u>1,172,987,876</u>		<u>199,567,589</u>
Total direct and overlapping debt	<u>\$ 1,202,738,184</u>		<u>\$ 229,317,897</u>

Source: Municipal Advisory Council of Michigan; Detroit, Michigan.

CITY OF TROY, MICHIGAN

Computation of Legal Debt Margin June 30, 2016

Unaudited

Assessed Valuation at December 31, 2014 \$ 5,313,611,700

	Annual Net Debt	Percentage of State Equalized Valuation	Legal Margin	
			Amount	Legal Debt Margin
General obligation debt	\$ 36,325,000	10.0%	\$ 531,361,170	\$ 495,036,170
Emergency bonds	-	37.5%	1,992,604,388	1,992,604,388
Special assessment bonds	-	12.0%	637,633,404	637,633,404
Total debt	<u>\$ 36,325,000</u>		<u>\$ 3,161,598,962</u>	<u>\$ 3,125,273,962</u>

The statutory debt limits of net bonded indebtedness incurred for all public purposes shall not at any one time exceed 10% of the assessed valuation of taxable property in the City (\$5,313,611,700), except that this limit may be exceeded by 3/8ths of 1% in case of fire, flood or other calamity. This limitation does not include bonds issued in anticipation of the payment of special assessments, nor bonds issued pursuant to court order for sewage or garbage disposal systems.

The Michigan State Bond Act provides that the total debt in special assessment bonds, which would require that the City pledge its faith and credit, shall not exceed 12% of the assessed valuation of taxable property of the City, nor shall such bonds be issued in any calendar year in excess of 3% unless voted.

CITY OF TROY, MICHIGAN

Legal Debt Margin Information Last Ten Fiscal Years

Unaudited

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt Limit	\$ 660,880,475	\$ 642,265,981	\$ 622,709,405	\$ 583,886,924	\$ 498,851,831
Total net debt applicable to limit	<u>(44,130,000)</u>	<u>(42,220,000)</u>	<u>(40,050,000)</u>	<u>(37,460,000)</u>	<u>(34,545,000)</u>
Legal debt margin	<u>\$ 616,750,475</u>	<u>\$ 600,045,981</u>	<u>\$ 582,659,405</u>	<u>\$ 546,426,924</u>	<u>\$ 464,306,831</u>
Total net debt applicable to the limit as a percentage of debt limit	6.68%	6.57%	6.43%	6.42%	6.92%

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 454,041,268	\$ 441,010,890	\$ 449,143,234	\$ 482,754,174	\$ 531,361,170
Total net debt applicable to limit	<u>(32,010,000)</u>	<u>(30,420,000)</u>	<u>(42,735,000)</u>	<u>(39,670,000)</u>	<u>(36,325,000)</u>
Legal debt margin	<u>\$ 422,031,268</u>	<u>\$ 410,590,890</u>	<u>\$ 406,408,234</u>	<u>\$ 443,084,174</u>	<u>\$ 495,036,170</u>
Total net debt applicable to the limit as a percentage of debt limit	7.05%	6.90%	9.51%	8.22%	6.84%

CITY OF TROY, MICHIGAN

Pledged Revenue Coverage
Last Ten Fiscal Years

Unaudited

Golf Course Bonds					
Fiscal Year Ended	Debt Service				Coverage (1)
	Collections	Principal	Interest	Total	
2007	\$ 1,057,265	\$ 200,000	\$ 547,307	\$ 747,307	141%
2008	985,813	300,000	539,038	839,038	117%
2009	923,908	300,000	526,950	826,950	112%
2010	974,051	300,000	515,200	815,200	119%
2011	940,775	400,000	501,945	901,945	104%
2012	1,442,755	400,000	485,446	885,446	163%
2013	1,295,277	400,000	419,657	819,657	158%
2014	1,335,433	400,000	328,254	728,254	183%
2015	1,375,137	450,000	298,686	748,686	184%
2016	1,809,386	645,000	289,881	934,881	194%

Michigan Transportation Fund Bonds					
Fiscal Year Ended	Debt Service				Coverage
	Collections (1)	Principal	Interest	Total	
2007	\$ 2,502,483	\$ 175,000	\$ 81,338	\$ 256,338	976%
2008	2,461,676	175,000	72,588	247,588	994%
2009	2,371,142	175,000	63,838	238,838	993%
2010	2,329,592	175,000	54,913	229,913	1013%
2011	2,363,803	175,000	45,900	220,900	1070%
2012	2,487,834	200,000	36,713	236,713	1051%
2013	2,521,831	225,000	26,013	251,013	1005%
2014	2,759,611	250,000	13,750	263,750	1046%
2015	-	-	-	-	N/A
2016	-	-	-	-	N/A

Special Assessment Bonds					
Fiscal Year Ended	Debt Service				Coverage (2)
	Collections	Principal	Interest	Total	
2007	\$ 51,713	\$ 50,000	\$ 1,713	\$ 51,713	100%
2008	-	-	-	-	N/A
2009	-	-	-	-	N/A
2010	-	-	-	-	N/A
2011	-	-	-	-	N/A
2012	-	-	-	-	N/A
2013	-	-	-	-	N/A
2014	-	-	-	-	N/A
2015	-	-	-	-	N/A
2016	-	-	-	-	N/A

(1) Fifty percent of state gas and weight taxes can be used for debt payments.

(2) Customers may choose to make special assessment payments up-front to avoid paying interest to the City, which creates uneven payment streams over the life of the assessment.

CITY OF TROY, MICHIGAN

Demographic Statistics Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Education Age 25 or Older										
	Population (3)	Median Age (3)	Number of Households(3)	Average Household Size (3)	Income Per Capita (3)	Median Income Per Household (1)	Personal Income (millions)	Unemployment Rate (%) (2)	High School(3)	Bachelor Degree(3)	Graduate or Professional Degree (3)
2007	87,594	38.1	32,596	2.69	\$36,000	\$ 84,330	\$ 3,153	4.8	67	50	22
2008	87,956	38.1	32,802	2.69	36,000	79,000	3,166	5.6	67	50	22
2009	81,490	38.1	33,368	2.69	42,000	83,135	3,423	9.4	67	50	22
2010	81,235	38.1	30,723	2.69	42,000	87,269	3,412	11.9	67	50	22
2011	80,980	41.8	32,907	2.63	41,200	85,946	3,336	9.5	73	57	27
2012	82,071	41.8	32,998	2.61	41,200	86,465	3,381	7.7	73	57	27
2013	82,853	41.8	33,063	2.61	41,200	85,685	3,414	7.4	73	57	27
2014	83,270	41.8	33,182	2.60	41,209	84,325	3,431	5.9	95	57	27
2015	83,319	41.8	33,233	2.60	41,209	85,797	3,433	4.4	95	57	27
2016	83,181	41.8	30,703	2.59	41,209	87,269	3,428	3.5	95	57	27

Source:

- (1) U.S. Census - American Fact Finder
- (2) Oakland County research services
- (3) Southeast Michigan Council of Governments (SEMCOG)

CITY OF TROY, MICHIGAN

Principal Employers by Industry
Current and Previous Four Years Unaudited

Industry	2012			2013			2014			2015			2016		
	Number of Parcels	Rank	Percent of Total Parcels												
Industrial, Light Manufacturing	643	1	39.62%	643	1	39.62%	638	1	39.12%	637	1	39.37%	639	1	39.15%
Office	261	2	16.08%	261	2	16.08%	262	2	16.06%	259	2	16.01%	259	2	15.87%
Retail Store (Mall, Plaza, Market, Whse, Discount	150	3	9.24%	150	3	9.24%	154	3	9.44%	155	3	9.58%	155	3	9.50%
Medical Office	85	4	5.24%	85	4	5.24%	84	5	5.15%	85	4	5.25%	85	5	5.21%
Engineering	66	7	4.07%	66	7	4.07%	66	7	4.05%	64	8	3.96%	62	8	3.80%
Restaurant & Fast Food	66	7	4.07%	66	7	4.07%	66	8	4.05%	66	7	4.08%	66	7	4.04%
Apartments	67	6	4.13%	67	6	4.13%	67	6	4.11%	68	6	4.20%	68	6	4.17%
Service (Station, Garage, Booth, Convenience)	58	8	3.57%	58	8	3.57%	58	10	3.56%	57	10	3.52%	57	10	3.49%
Loft (Multi Tenant Industrial)	41	10	2.53%	41	10	2.53%	40	11	2.45%	40	11	2.47%	40	11	2.45%
Bank	30	11	1.85%	30	11	1.85%	32	12	1.96%	32	12	1.98%	32	12	1.96%
Auto Dealership	17	12	1.05%	17	12	1.05%	17	13	1.04%	17	13	1.05%	18	13	1.10%
Warehouse (Storage, Distribution, Transit)	57	9	3.51%	57	9	3.51%	59	9	3.62%	63	9	3.89%	62	9	3.80%
All other	82	5	5.05%	82	5	5.05%	88	4	5.40%	75	5	4.64%	89	4	5.45%
Total commercial/industrial parcels	1,623		100.00%	1,623		100.00%	1,631		100.00%	1,618		100.00%	1,632		100.00%

Source: City Assessor

CITY OF TROY, MICHIGAN

Operating Indicators by Function/Program

Last Ten Fiscal Years

Unaudited

	Fiscal Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Building Inspection</u>										
Permits issued	1,696	1,588	1,251	1,185	940	1,699	2,006	2,297	2,369	2,404
Plans reviewed	1,059	920	685	719	908	1,842	2,023	2,641	3,051	3,301
<u>Executive Administration</u>										
City Manager's Office										
GFOA awards/submittals	3	3	3	3	2	2	3	3	3	3
City Attorney's Office										
District court appearances	6,368	6,706	6,840	6,091	6,492	6,612	7,884	7,871	8,289	8,059
Community Affairs										
New resident packets distributed	950	830	855	910	943	912	803	790	801	940
Press releases sent	450	465	475	482	487	474	479	482	495	500
City Clerk's Office										
Registered voters	54,355	56,774	55,989	56,572	55,301	57,470	58,318	56,630	57,400	57,163
Voter turnout% (November)	63%	24%	79%	22%	57%	27%	74%	27%	51%	21%
Human Resources										
Applications processed	1,117	1,762	1,015	365	110	1,566	778	1,274	1,120	809
Job postings	45	39	37	10	11	30	26	38	45	51
Labor contracts settled	0	1	1	1	6	0	0	3	2	4
<u>Engineering</u>										
Engineering										
Soil erosion inspections	4,001	1,422	1,626	979	863	772	628	812	1,089	640
Machine traffic counts	136	136	146	125	93	68	52	43	25	25
PASER ratings	Not Avail.	Not Avail.	Not Avail.	Not Avail.	Not Avail.	6	5.8	5.7	5.7	5.5

CITY OF TROY, MICHIGAN

Operating Indicators by Function/Program

Last Ten Fiscal Years

Unaudited

	Fiscal Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Finance</u>										
Accounting/Risk Management										
Payroll checks processed	24,116	27,717	27,346	23,147	22,891	23,091	24,073	24,073	26,497	26,822
Invoices issued	2,200	2,000	3,597	8,354	9,649	10,027	10,033	10,635	10,121	10,119
Liability claims processed	114	143	140	85	84	57	53	103	344	84
Insurance certificates approved	386	379	370	364	331	328	348	365	385	619
Assessing										
Residential appraisals	1,500	1,273	1,439	863	750	500	642	518	362	390
Reinspections	1,000	800	1,000	600	500	500	892	892	1,156	1,400
Purchasing										
Value of goods/services purchased	\$30.4 mil	\$29.6 mil	\$33.8 mil	\$31.7 mil	\$33.3 mil	\$34.2 mil	\$34.6 mil	\$34.0 mil	\$34.5 mil	\$37.8 mil
% of awards without dispute	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
City Treasurer's Office										
Tax bills processed	65,740	66,907	65,798	65,770	65,687	65,900	66,000	66,200	62,685	62,854
Water bills processed	102,000	104,784	104,777	104,807	99,566	101,055	102,272	102,510	102,807	103,118
<u>Fire</u>										
Fire Department responses	1,338	1,154	889	853	1,022	1,090	1,006	1,165	1,077	1,174
Inspections performed	2,210	2,440	2,768	2,543	2,347	2,013	3,154	2,988	2,398	2,815
<u>Other General Government</u>										
Building Operations										
Requests for service	18,900	19,200	18,922	17,280	16,801	12,500	18,550	18,550	16,280	18,150
Planning										
Site plan reviews	14	21	9	14	13	8	9	17	17	15
Special use requests	22	13	15	9	8	7	12	3	2	6

CITY OF TROY, MICHIGAN

Operating Indicators by Function/Program

Last Ten Fiscal Years

Unaudited

	Fiscal Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Parks, Recreation and Culture</u>										
ROW trees trimmed	3,215	1,968	2,894	3,168	2,457	2,262	3,508	3,300	3,976	2,611
Recreation programs	561	573	587	622	471	468	466	480	485	485
Library cards	Not avail.	Not avail.	Not avail.	51,200	50,900	51,000	51,000	46,400	49,656	56,961
<u>Police</u>										
Part 1 Crimes	1,890	2,021	1,944	1,837	1,842	1,865	1,670	1,512	1,419	1,451
Operate while impaired	520	503	477	396	464	399	506	473	419	350
Hazardous traffic citations	9,765	9,127	8,178	8,214	7,526	7,385	6,811	6,704	5,283	4,796
Non-hazardous traffic citations	3,093	3,002	3,415	2,888	2,745	3,941	3,681	3,168	4,750	3,736
<u>Traffic crashes:</u>										
Property damage	2,585	2,670	2,336	2,167	2,427	2,434	1,958	3,342	3,163	1,937
Personal injury	556	614	564	374	317	386	303	532	468	275
Fatal crash	6	6	5	5	3	2	4	4	5	3
<u>Public Works</u>										
<u>Streets & Drains Division</u>										
Requests for service	860	1,602	1,258	1,004	1,188	1,149	1,370	1,774	1,747	1,509
<u>Water & Sewer Division</u>										
Requests for service	2,244	2,147	2,844	2,902	3,379	3,366	4,217	4,434	4,140	2,482
Sanitary sewers cleaned in feet	1,610,795	2,100,000	2,100,000	1,785,000	1,307,000	2,100,000	1,300,000	1,630,417	1,250,000	1,151,056
<u>Fleet Maintenance</u>										
Work orders	4,072	4,000	3,848	3,507	3,217	2,839	2,037	2,532	2,165	2,443
Vehicle tires replaced	648	594	604	608	520	566	464	406	487	332
<u>Refuse/Resource Recovery</u>										
Tons of refuse collected	44,637	35,313	32,951	27,412	27,230	29,816	26,655	27,210	28,462	28,068
Tons of compost collected	7,917	10,753	10,620	12,313	9,690	10,689	8,786	9,743	9,174	9,104

CITY OF TROY, MICHIGAN

Operating Indicators by Function/Program
Last Ten Fiscal Years

Unaudited

	Fiscal Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Information Technology</u>										
Help desk requests	2,062	2,136	2,075	2,392	2,498	2,485	2,333	3,079	3,018	2,811
<u>Golf Course</u>										
Sylvan Glen rounds of golf	45,032	42,451	43,892	41,719	40,852	47,293	42,655	37,737	42,887	49,988
Sanctuary Lake rounds of golf	23,729	23,664	24,710	24,757	27,236	33,485	30,301	30,283	31,840	43,416
<u>Aquatic Center</u>										
Admissions	54,519	53,521	48,146	47,738	51,000	54,260	47,940	49,066	36,021	42,481

CITY OF TROY, MICHIGAN

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Unaudited

Function/Program	Fiscal Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Fire</u>										
Stations	6	6	6	6	6	6	6	6	6	6
<u>Police</u>										
Stations	1	1	1	1	1	1	1	1	1	1
<u>Streets</u>										
Miles of improved	437	443	443	443	443	435	406	406	408	408
Miles of unimproved	5	4	4	4	4	4	4	4	4	4
<u>Sewers</u>										
Miles of combination storm/sanitary	10	10	10	10	10	10	10	10	6	6
Miles of sanitary	386	395	397	398	398	391	392	393	393	395
Miles of storm	542	543	545	545	545	589	625	631	529	519
<u>Street Lights</u>										
Detroit Edison owned poles	564	582	582	580	562	561	562	562	562	562
City owned poles	1,558	956	956	956	997	1,242	539	539	1,010	1,010
<u>Water</u>										
Annual distribution in million cubic feet	614	561	494	449	485	530	539	450	420	450
Miles of watermains	538	539	540	540	540	537	539	537	542	543
Number of hydrants	5,782	5,830	5,850	5,854	5,870	5,863	5,897	5,930	5,962	5,979
<u>Parks and Recreation</u>										
Number of developed parks	14	14	14	14	14	14	15	15	15	15
Acres of public parks	880	880	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Number of tennis courts	18	18	18	18	18	18	18	18	18	18
Outdoor education center/farm	1	1	1	1	1	1	1	1	1	1
18-hole golf course	2	2	2	2	2	2	2	2	2	2
Community center	1	1	1	1	1	1	1	1	1	1
Aquatic center	1	1	1	1	1	1	1	1	1	1

Source: City Departments

CITY OF TROY, MICHIGAN

Building Construction

Unaudited

Last Ten Fiscal Years

2006 - 2007	1,696	permits	113,160,162	estimated value
2007 - 2008	1,588	permits	103,420,413	estimated value
2008 - 2009	1,251	permits	99,128,945	estimated value
2009 - 2010	1,185	permits	56,329,455	estimated value
2010 - 2011	940	permits	81,414,322	estimated value
2011 - 2012	1,699	permits	98,609,054	estimated value
2012 - 2013	2,006	permits	146,556,961	estimated value
2013 - 2014	2,297	permits	165,364,134	estimated value
2014 - 2015	2,369	permits	212,761,431	estimated value
2015 - 2016	2,404	permits	154,161,117	estimated value

Source: SafeBuilt Inc.

CITY OF TROY, MICHIGAN

Full and Part-Time City Government Employees By Function/Program
Last Ten Fiscal Years

Unaudited

Function/Program	2007		2008		2009		2010		2011		2012		2013		2014		2015		2016		
	Full Time	Part Time																			
<u>Building Inspection</u>																					
Building Inspection	21	2	21	2	21	2	17	2	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Executive Administration</u>																					
City Manager's Office	5	0	4.5	0	4.5	0	4.5	0	4	4	7	6	7	5	7	7	9	6	9	5	5
City Attorney's Office	8	1	8	1	8	1	8	1	6	1	7	1	7	1	7	0	7	0	6	0	0
City Clerk's Office	6	2	6	2	6	2	5	2	3	2	4	2	4	2	4	2	4	3	4	3	3
Human Resources	4	1	4	1	4	1	4	1	2	1	2	1	3	1	4	1	4	0	4	1	1
Community Affairs	3	6	3	6	3	6	1	6	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Engineering</u>																					
Engineering	23	6	22	6	21	6	16	5	12	3	10	4	11	3	11	3	11	2	11	2	2
<u>Finance</u>																					
Accounting/Risk Management	10.5	0	10.5	0	10.5	0	9.5	0	4	1	4	3	6	1	6	2	6	2	6	1	1
Assessing	8	2	8	2	8	2	8	1	6	1	6	1	6	1	7	1	6	1	7	0	0
Purchasing	3	1	3	1	3	1	3	1	2	0	0	1	2	1	2	1	2	1	2	1	1
City Treasurer's Office	4.5	0	4.5	0	3.5	0	3.5	0	3	0	4	0	3	1	3	1	4	0	4	0	0
<u>Fire</u>																					
Fire	14	2	14	2	13	2	13	2	10	6	11	6	11	6	11	6	12	6	12	4	4
<u>Library/Museum</u>																					
Library	17	98	16	98	16	96	15	93	5	61	6	68	5	71	9	82	9	83	9	75	75
Museum	2	9	2	9	2	9	2	9	0	0	0	0	0	0	0	0	0	0	0	0	0

Continued.....

CITY OF TROY, MICHIGAN

Full and Part-Time City Government Employees By Function/Program Last Ten Fiscal Years

Unaudited

	2007		2008		2009		2010		2011		2012		2013		2014		2015		2016	
	Full Time	Part Time																		
Concluded....																				
<u>Other General Government</u>																				
Real Estate & Development	4	1	3.5	0	3.5	0	3.5	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Operations	12	2	12	2	12	2	11	2	6	0	6	3	7	3	7	4	7	3	7	4
Planning	5	0	5	0	5	0	3	0	4	2	4	2	4	2	4	2	4	2	4	3
<u>Police</u>																				
Sworn Police Officers	98	0	94	0	95	0	95	0	94	0	73	0	74	0	69	0	79	0	78	0
Command	34	0	36	0	29	0	27	0	24	0	23	0	22	0	21	0	23	0	23	0
Other	61	14	62	18	68	18	66	18	35	22	44	32	44	35	47	31	47	35	48	29
<u>Parks & Recreation</u>																				
Parks & Recreation	34	212	34	206	32	206	32	181	15	155	12	190	11	182	11	195	12	199	12	198
<u>Public Works</u>																				
Streets & Drains Division	31.5	18	31.5	18	31.5	18	28.5	18	24.5	2	20.5	11	20.5	8	22.5	9	24.5	11	24	9
Water & Sewer Division	34	7	34	7	34	7	34	7	31	0	31	6	31	6	33	6	32	6	31	7
Fleet Maintenance	18	2	18	2	18	2	18	2	11	2	11	4	14	3	12	6	14	6	15	2
Refuse/Resource Recovery	1.5	1	1.5	1	1.5	1	1.5	1	0.5	0	0.5	0	0.5	0	0.5	0	0.5	0	0	0
<u>Information Technology</u>																				
Information technology	9	0	9	0	9	2	9	2	8	1	8	1	8	1	9	0	10	0	11	0
<u>Golf Course</u>																				
Golf course	5	72	5	71	5	71	5	54	0	0	0	0	0	0	0	0	0	0	0	0
<u>Aquatic Center</u>																				
Aquatic center	0	74	0	74	0	88	0	88	0	50	0	37	0	45	0	42	0	52	0	66
Total Employees	476	533	472	529	467	543	443	496	310	314	294	379	301	378	307	401	327	418	327	410

Source: City Department of Human Resources

CITY OF TROY, MICHIGAN

State Shared Revenues

Unaudited

Last Ten Fiscal Years

Fiscal Year Ended June 30	State Shared Revenue
2007	\$ 6,635,508
2008	6,633,938
2009	6,313,999
2010	5,615,666
2011	5,615,666
2012	6,136,066
2013	6,279,381
2014	6,435,145
2015	6,541,560
2016	6,535,632

Gas and Weight Taxes

Last Ten Fiscal Years

Fiscal Year Ended June 30	Type of Street		Total Gas and Weight Tax (Act 51) Receipts
	Major Road	Local Road	
2007	\$ 3,587,980	\$ 1,416,986	\$ 5,004,966
2008	3,529,518	1,393,834	4,923,352
2009	3,396,979	1,345,306	4,742,285
2010	3,337,309	1,321,874	4,659,183
2011	3,386,023	1,341,582	4,727,605
2012	3,572,892	1,402,776	4,975,668
2013	3,623,451	1,420,210	5,043,661
2014	3,963,956	1,555,266	5,519,222
2015	4,278,155	1,499,530	5,777,685
2016	4,855,713	1,581,594	6,437,307

Source: City of Troy

CITY OF TROY, MICHIGAN

Labor Agreements		Unaudited
Name	Expiration Date	Number of Employees Covered
American Federation of State, County, and Municipal Employees, AFSCME - Public Works Employees	6/30/2021	62
Michigan Association of Police - Clerical, Police Services Aides	6/30/2018	44
Troy Command Officers Association - Command Police Officers	6/30/2019	22
Troy Police Officers Association - Police Officers	6/30/2020	79
Troy Firestaff Officers Association - Fire Career Professionals	6/30/2019	10
Troy Communication Supervisors Association - Civilian Communications Supervisors	6/30/2021	7

Source: City Department of Human Resources

SINGLE AUDIT ACT COMPLIANCE

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INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE

November 30, 2016

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *City of Troy, Michigan* (the "City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 30, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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CITY OF TROY, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Forestry Service <i>Cooperative Forestry Assistance</i>	10.675	ARC	N/A	\$ 15,625
U.S. Department of Housing and Urban Development <i>Community Development Block Grant</i>	14.218	OAK	172170	239,282
U.S. Department of Justice <i>Bulletproof Vest Grant</i>	16.607	Direct		2,102
U.S. Department of Transportation <i>John R. - Long Lake to Square Lake</i>	20.205	MDOT	128571C	68,470
<i>John R. - Square Lake to South Blvd.</i>	20.205	MDOT	128571C	60,297
<i>Troy Multi Modal Transit Facility</i>				128,767
<i>High-Speed Rail Corridors and Intercity Passenger Rail Service Capital Assistance Grants</i>				
ARRA - Contract # 2011-0231, Project # 113143, Agenda: CAB	20.319	MDOT	20110276	1,612,932
Total U.S. Department of Transportation				1,741,699
U.S. Environmental Protection Agency <i>Sylvan Glen Phase II</i>	66.469	Direct		375,000
U.S. Department of Health and Human Services <i>Help America Vote Act (HAVA)</i>	93.617	MI	N/A	5,270
U.S. Department of Homeland Security <i>2014 Homeland Security Grant Program</i>	97.067	OAK	EMW-2014-SS-00059	10,048
<i>2015 Homeland Security Grant Program</i>	97.067	OAK	EMW-2015-SS-00069	1,674
				11,722
Total Expenditures of Federal Awards				\$ 2,390,700

See notes to schedule of expenditures of federal awards.

CITY OF TROY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Troy, Michigan (the "City") under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the City's financial statements. Such expenditures are recognized following the cost principles contained in Title 2 CFR 200 "*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*", wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

For purposes of charging indirect costs to federal awards, the City has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. PASS-THROUGH AGENCIES

The County receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
MDOT	Michigan Department of Transportation
OAK	County of Oakland, Michigan
MI	State of Michigan
ARC	Alliance of Rouge Communities

4. RECONCILIATION OF FEDERAL REVENUES REPORTED IN GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal sources per Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 2,492,626
Less reimbursements for previous year expenditures subsequently determined eligible for reimbursement from federal sources	(101,926)
Total Expenditures of Federal Awards	<u>\$ 2,390,700</u>



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

November 30, 2016

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *City of Troy, Michigan* (the "City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rehmann Johnson LLC". The signature is written in a cursive, flowing style.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

November 30, 2016

To the Honorable Mayor and City Council of the
City of Troy, Michigan**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the *City of Troy, Michigan* (the "City") with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended June 30, 2016. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rehmann Lobson LLC

CITY OF TROY, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2016

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

20.319

High-Speed Rail Corridors and Intercity Passenger Rail Service Capital Assistance Grants

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X yes _____ no

CITY OF TROY, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2016

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported.



CITY OF TROY, MICHIGAN

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2016

No matters were reported.



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CITY COUNCIL AGENDA ITEM

December 2, 2016

To: Brian Kischnick, City Manager

From: M. Aileen Dickson, City Clerk
Cheryl A. Stewart, Deputy City Clerk

Subject: November 8, 2016 Presidential Election Recount

History

Green Party Presidential Candidate Jill Stein filed petitions and paid the deposits for recounts in Michigan, Wisconsin, and reportedly in Pennsylvania. The State of Pennsylvania's recount law only allows voters to initiate a recount. Voter-initiated recounts in Pennsylvania require three voters from every precinct in the state to file for the recount. Not enough voters filed for the recount in Pennsylvania, but the Stein campaign has filed a lawsuit challenging Pennsylvania's recount law. Even if recounts in Michigan and Wisconsin overturned the Presidential results in both states, a recount in Pennsylvania that caused the Presidential results to be overturned would still be needed to overturn the electoral college votes.

Last week, the State of Michigan and Oakland County began implementing a plan of action in anticipation of the Wednesday, November 30, 2016 filing by informing local city and township clerks to be prepared to fully participate in the recounting of the precincts and absentee counting boards. The City Clerk's Office immediately began coordinating delivery of the ballot containers from 62 precincts (31 precincts and 31 absentee counting boards), with a total of over 43,000 ballots, as well as scheduling inspectors to assist with the recount.

The Trump campaign filed an objection on December 1st challenging Candidate Stein's filing and the recount. The State Board of Canvassers met on December 2, 2016, to hear and rule on the objection. The State Board of Canvassers deadlocked 2-2; thus, causing the motion to fail. Another motion to have the recount be a machine recount also failed, 2-2. There is a two (2) business day waiting period required by law before starting the recount, which makes the start date December 6, 2016. The State Board of Canvassers determines the method of the recount for all state and federal offices and they opted for a "hand" method recount which has typically been their chosen method.

The recount begins on Tuesday, December 6, 2016, and will run through December 12, 2016. Delays caused by court challenges could stop the recount process throughout that time. Additionally, the Attorney General for the State of Michigan has already filed a lawsuit to stop the recount. The recount must be completed by December 12, 2016, to allow for the "safe harbor" deadline before the Electoral College is scheduled to meet on December 19, 2016. The "safe harbor" deadline is a six (6) day period requiring states to resolve all disputes before the electors meet. There may also be lawsuits filed that will challenge the December 12th deadline.



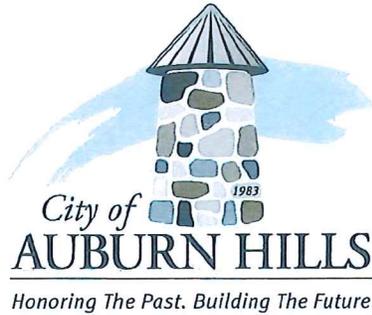
CITY COUNCIL AGENDA ITEM

Candidate Stein paid a deposit of \$125 per precinct for each recounted precinct, estimated at \$128,000 for Oakland County alone. Oakland County is responsible for any costs exceeding \$128,000, as well as refunding the costs for any precincts that are not recountable. Troy will not be required to pay for costs associated with the recount, except for City Clerk's Office staff time. The City Clerk will be present at the recount the entire time Troy is being recounted.

Timeline of Recount Process

November 30, 2016	Deadline at 2:05 PM to file for recount.
December 1, 2016	Trump's campaign filed an objection to Candidate Stein's filing and the recount.
December 2, 2016	State Board of Canvassers met to rule on the challenge. (The State Board of Canvassers deadlocked, so the recount will begin after a required two business day waiting period.)
December 5, 2016	Training for workers on recount process.
December 6, 2016	Hand recount begins. Any court challenges will stop the recount process. (AG lawsuit pending.)
December 12, 2016	Recount expected to end.
December 13, 2016	Safe Harbor clock starts.
December 19, 2016	State electors are scheduled to meet in the State Senate Building.

Recount information and timelines have been changing by the day so far. The City Clerk's Office will provide updates as they are available.



RECEIVED

NOV 16 2016

CITY OF TROY
FIRE DEPARTMENT

November 9, 2016

Chief David Roberts
1019 E. Big Beaver Road
Troy, Michigan 48083

Dear Chief Roberts,

In the early morning hours of Tuesday, November 8, 2016, the City of Auburn Hills was called to a structure fire at the Beacon Hill apartment complex on Walton Boulevard, east of North Squirrel Road. As a high density residential development, our thoughts immediately go to the potential impact on the safety of the people living in those dwellings and the possible spread of the fire into other buildings. Our quick response becomes of the utmost importance.

It's times like these that we have an added appreciation for our neighboring communities and the mutual aid agreements we have in place to assist one another. The commitment of your department to assist Auburn Hills in a time of need was clearly evident on November 8th and for that reason, we wish to say *thank you* to you and the members of your department who answered the call that day. Please also extend our many thanks to your community leaders for their ongoing support.

Our very best,


Kevin R. McDaniel
Mayor

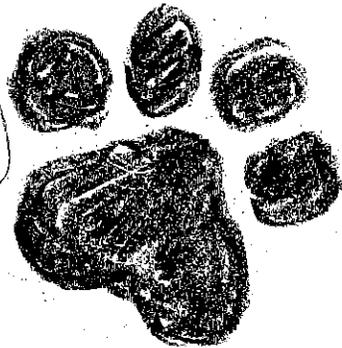

Thomas A. Tanghe
City Manager


James Manning
Fire Chief

Tristan H.

matthe & Pagan

This card was made by
Joylin
Andrew 5/05

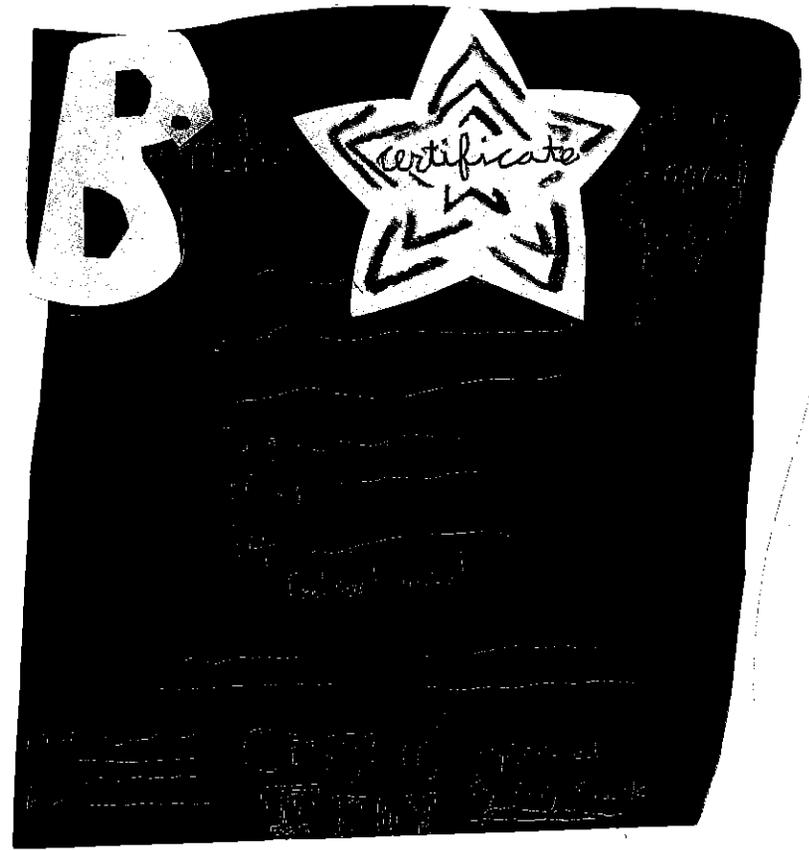


From Woodland

5th Graders

Ari Rankin

Maddy E.



Thank you!

Kaile Byers John Pauls Elias ~~Beast~~ Gisselle Muneer Khan City Eva Burgaj

Andrew Baumann Troy Clerk Aman Dare

EVER!

Christian Dunn Joshua Daniel Bianca Chamakl
Clara Blahney
Min dear
Bianca Chamakl

Ben Lam
Ainsie Chaparro
Evan Bates
Sydney Zellers

Emerald Salligne

Carter Stewart
215P

Raige

Hunter Petras

Eric Christoph

Christoph

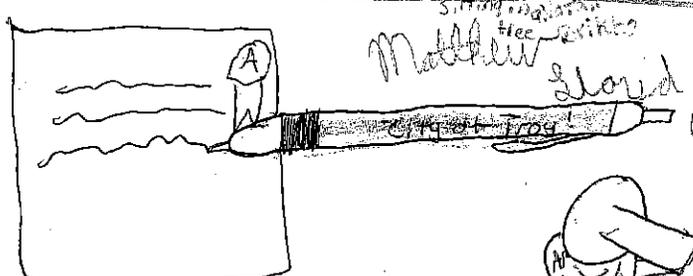
Troy

Wale

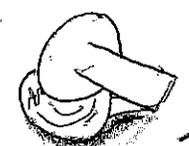
Pranas

Thank you Miss. Dickson

For your Presentation



Matthew Lloyd



Julian

fares shutteri Sam

Katerina Botukh

Jariatu Bangurah

Zisa Miler

Evelyn Turner

Cody Heemsoth

Reisha Taragaturi

Gianina Lupu Mrs. Davison's Class 5th grader Woodland.

Madeleine

Rebecca Merino

Okay 50% over Jake Tripoli

Acelbo

Thanks

November 28, 2016

RECEIVED

Brian Kischnick
City Manager
500 W. Big Beaver
Troy, MI 48083

NOV 29 2016
CITY OF TROY
CITY MANAGER'S OFFICE

Dear Sir:

I realize you have enough aggravation on your plate with council meetings but I wish to add MY irritations to your plate.

We are Troy residents, have been since 1966, raised three children and love the city! As you can surmise from the year, we are Seniors now and I wish to address something brought to my attention recently.

The Creative Endeavors little shop is scheduled to close the end of the year! WHY? Because it can be rented out to someone else! Participants in the items for sale were charged 10% on all sales, then it was decided that was too low, percentage went up to 30%! OK, we can live with it grudgingly. Now you're closing it?! All the help are volunteers and do a fine job, people coming into the Community Center for meetings, exercise, swimming etc. enjoy shopping there for various gift giving items. WHAT IS THE PROBLEM WITH YOU????

THE SENIORS ARE CHARGED FOR THE USE OF THE LUNCH ROOM FOR BINGO, WHAT'S NEXT ??? ELIMINATING THE COMMUNITY CENTER ALTOGETHER AND PUT IN A DRUG STORE??? METERS ON THE BATHROOM STALLS AND HAND DRYERS???

Also, as I see it, the plan seems to be: selling off as much of Troy as you can ... the developers are rubbing their hands in glee! The Troy Grounds are beautiful and impress all the visitors from out of the area, and while I can agree to cutting down the amount of area - I believe 120 acres was mentioned - hopefully saner heads will prevail to save some of it rather than sell it off to the eager development groups!!!

Sincerely and aggrevatedly,



Joyce Manke (Mrs. Fred)
244 Lesdale, Troy, MI 48085