



CITY COUNCIL ACTION REPORT

April 15, 2008

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance & Administration

SUBJECT: Transmittal of Proposed Fiscal Year 2008/09 Annual Budget

Background:

- The proposed fiscal year 2008/09 budget is being submitted for City Council's review. The first 28 pages of the document provide a concise summary of the entire budget. City Council has established the following dates for budget study sessions: April 28, 2008 and May 5, 2008 at 7:30 PM in the City Council Board Room.

Financial Considerations:

- The City's combined millage rate remains at 9.28 mills.
- The total City budget of \$155.4 million increased by \$3.8 million or 2.5% from the previous year.
- The General Fund budget increased 1.8% to \$64.6 million.
- The undesignated General Fund reserves are anticipated to equal at least \$7.7 million or 11.9% of the recommended budget.
- Capital project funds totaling \$44.4 million are contained on pages 248-284 of the proposed budget.
- We have reduced the full-time workforce by 4 positions to a lean 468. Our full-time work force equates to 5.32 employees for every 1,000 Troy residents and 3.90 full-time City of Troy employees per 1,000 people who work here.
- The 4 positions that were reduced through attrition are as follows:

<u>Department</u>	<u>Position</u>
Engineering	Project Manager
Fire	Fire Technician
Parks & Recreation	Naturalist Assistant
Parks & Recreation	MSE-F Forestry

We will endeavor to maintain the same level of service by redistributing tasks amongst current employees and outside contractors.

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Legal Considerations:

- Section 8.2 of the City of Troy Charter requires a proposed budget for the next fiscal year be presented to City Council on or before the third Monday in April in each year.
- Section 8.3 of the City of Troy Charter requires a Public Hearing on the budget shall be held before its final adoption, and notice of such public hearing shall be published at least one week in advance of the public hearing. The City Council shall, on or before the third Monday in May, adopt a budget for the ensuing fiscal year.

Policy Considerations:

- The 2008/09 budget is a policy document based on direction given by City Council in the form of annual goals on January 22, 2007:
 - I Enhance the livability and safety of the community
 - II Minimize the cost and increase the efficiency and effectiveness of City government
 - III Retain and attract investment while encouraging redevelopment
 - IV Effectively and professionally community internally and externally
 - V Maintain relevance of public infrastructure to meet changing public needs
 - VI Emphasize regionalism and incorporate creativity into the annual strategic planning process

Options:

- It is recommended that City Council note and file receipt of the proposed 2008/09 annual budget and hold a public hearing for adoption of the 2008/09 annual budget on May 19, 2008.