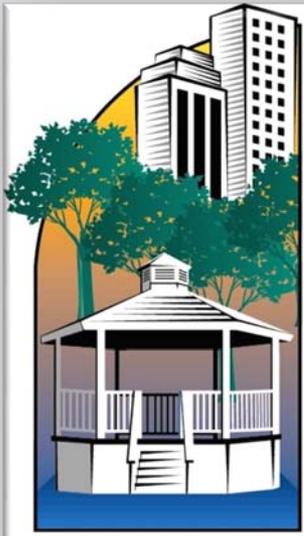


Budget Discussion Outline

1. Capital Improvement Plan
2. Special Revenue Funds
3. Debt Service Funds
4. Three Year Budget and 5 Year Forecast
5. Historic Village, The Nature Center and DDA
6. Budget Changes
7. Trends and Summaries
8. Further Dialogue
9. May 20th – Adopt Budget





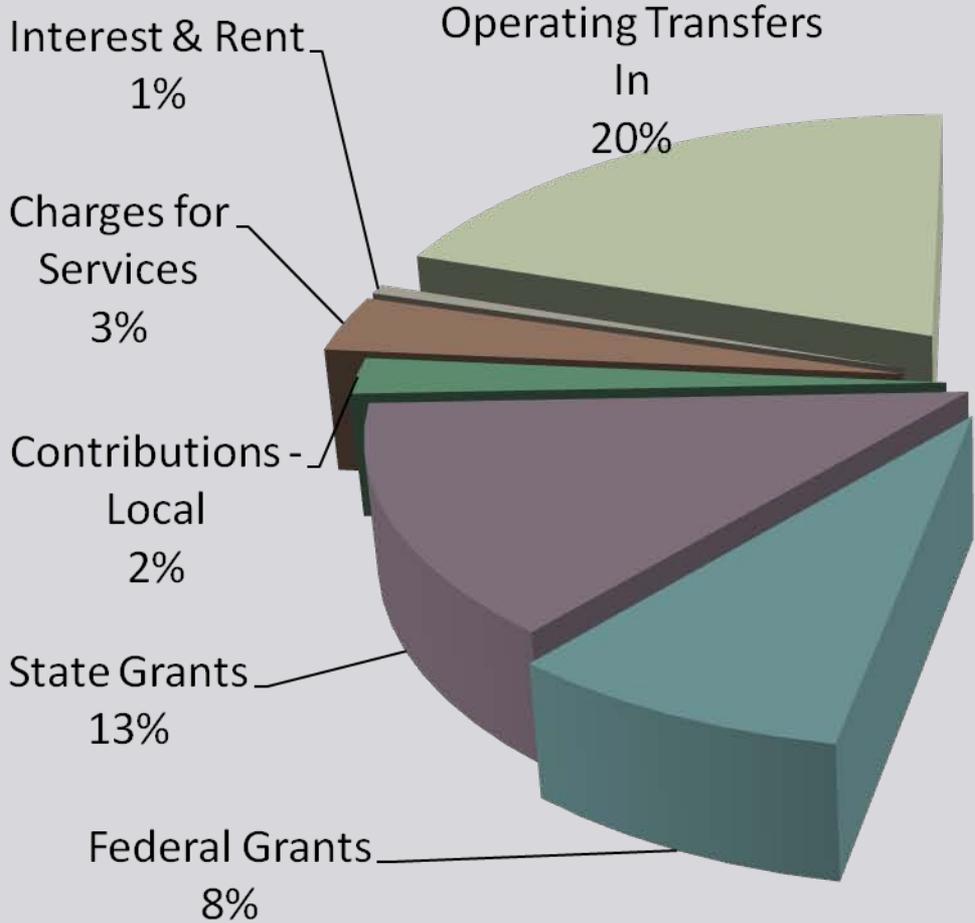
City of Troy

(Pages 175 – 228)

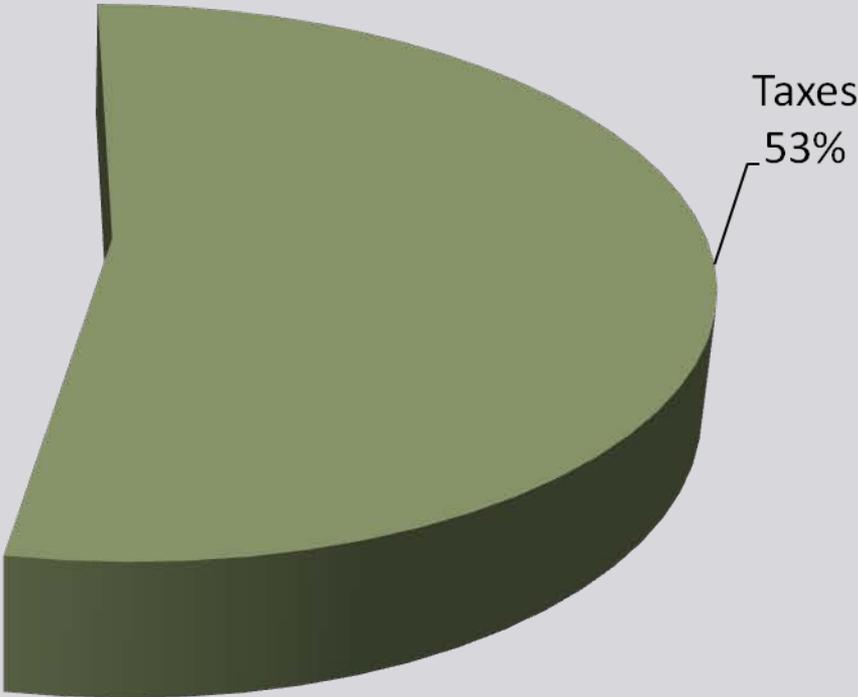
2013 – 2014 Capital Projects



Capital Projects Revenue



***Note: \$6,480,000 was levied from the Capital Millage (1.53 mills)**



In a November 2008 charter revision, the voters set a cap of “a current rate actual imposed, levied and collected”. The current rate for the General Fund is 6.5 mills and the Capital Projects Fund is 1.53 mills.

Total: \$ 12,246,700

Capital Projects Fund Expenditures

Total Capital Expenditures = \$ 13,750,200

Land & Building Improvements	\$ 2.6 million
Equipment	\$ 0.6 million
Fire Apparatus Replacement	\$ 0.5 million
Public Works Construction	\$ 8.8 million
Other Items	\$ 1.3 million

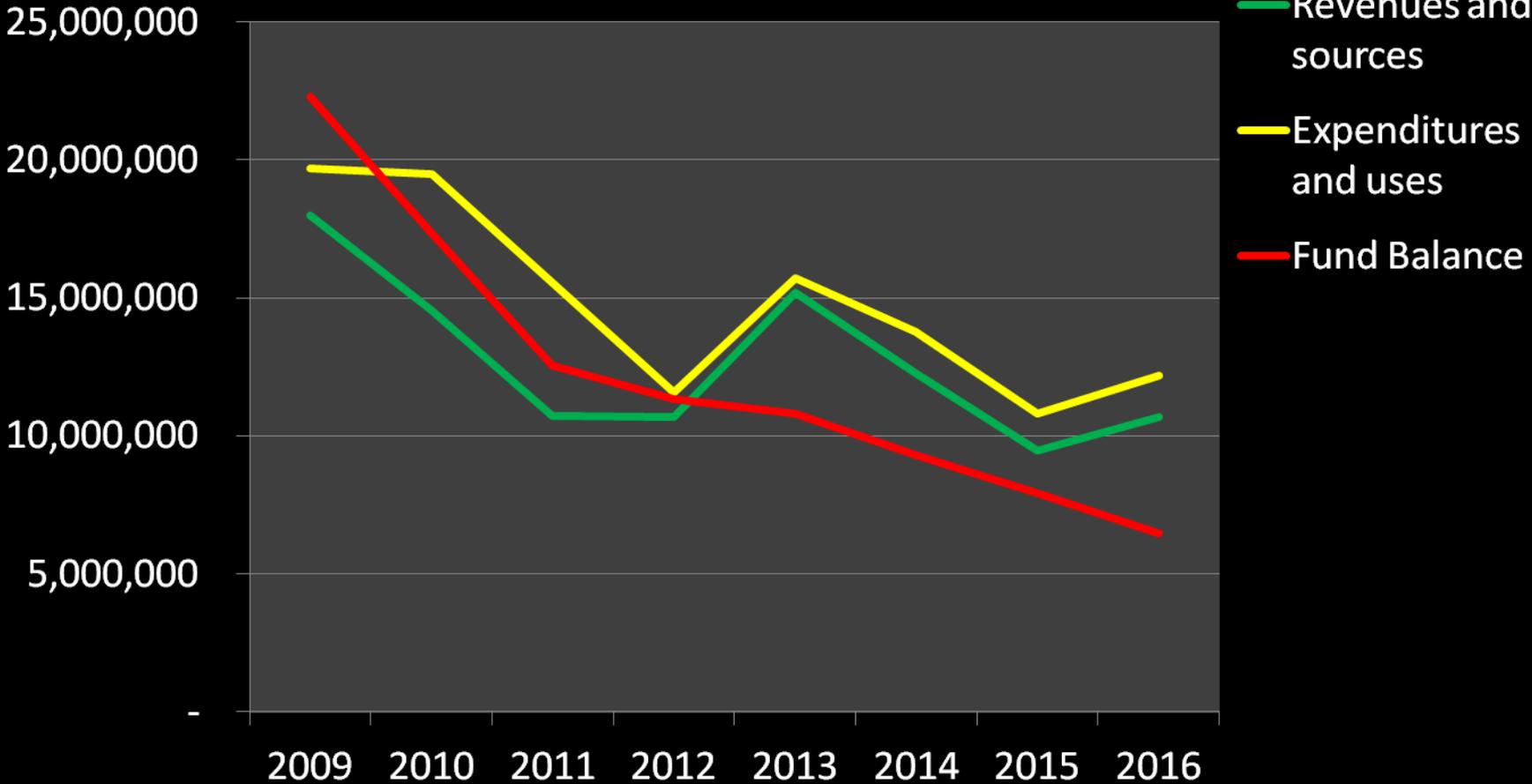
Capital Projects Fund Revenue & Expenditures

Use of Fund Balance 2013/14	\$ 1,503,500
Ending Fund Balance 2013/14	\$ 9,307,808

Capital Projects Fund Three Year Budget

	2014	2015	2016
<u>Revenues</u>			
Taxes	\$6,480,000	\$6,500,000	\$6,555,000
All Other Revenues	3,356,200	771,200	2,071,200
Transfers	2,410,500	2,179,000	2,067,000
Total Revenues	12,246,700	9,450,200	10,693,200
<u>Expenditures</u>			
Major/Local Roads and Sidewalks	6,836,050	7,825,000	8,575,000
Drains	2,575,850	775,305	975,168
All Other Capital	4,338,300	2,223,500	2,631,100
Total Expenditures	13,750,200	10,823,805	12,181,268
Surplus (Use) of Fund Balance	(1,503,500)	(1,373,605)	(1,488,068)
Ending Fund Balance (Est.)	<u>\$9,307,808</u>	<u>\$7,934,203</u>	<u>\$6,446,135</u>

Capital Projects Fund



Capital Expenditures *Highlights*

Land & Building Improvements = \$2.6 Million

Municipal Parking Lots (*Boulan Park Mill & Overlay, Fire Station 5 Seal Coat*) **\$ 0.2 million**

Public Works Repairs (*Painting, Fire Sprinkler Upgrade, Overhead Doors*) **\$ 0.2 million**

Transit Center (Carryover) **\$ 1.6 million**

City Hall Repairs (*Emergency Repairs*) **\$ 0.2 million**

Recreation Center Repairs (*Interior Paint, Pool Light Replacement, Emergency Light Batteries, Carpet*) **\$ 0.2 million**

Capital Expenditures *Highlights*

Equipment = \$0.6 Million

Public Works Equipment (<i>Utility Carts–Parks, Conveyer-Salt Dome Loader with Scale</i>)	\$ 0.1 million
Street Maintenance Equipment (<i>Asphalt Recycler-Hot Patcher</i>)	\$ 0.1 million
Police/City Hall Security Cameras	\$ 0.1 million
Police Digital Computer Replacement	\$ 0.2 million
Police Network Upgrades	\$ 0.1 million

Capital Expenditures *Highlights*

Apparatus Replacement = \$0.5 Million

Fire Dept. Replacement Program

\$ 0.5 million

Capital Expenditures *Highlights*

Public Works Construction = \$8.8 Million

Drain Improvements	\$ 2.3 million
Major Roads Construction & Improvements	\$ 2.6 million
Local Roads Construction & Improvements	\$ 3.1 million
Sidewalk Construction	\$ 0.8 million

Capital Expenditures *Highlights*

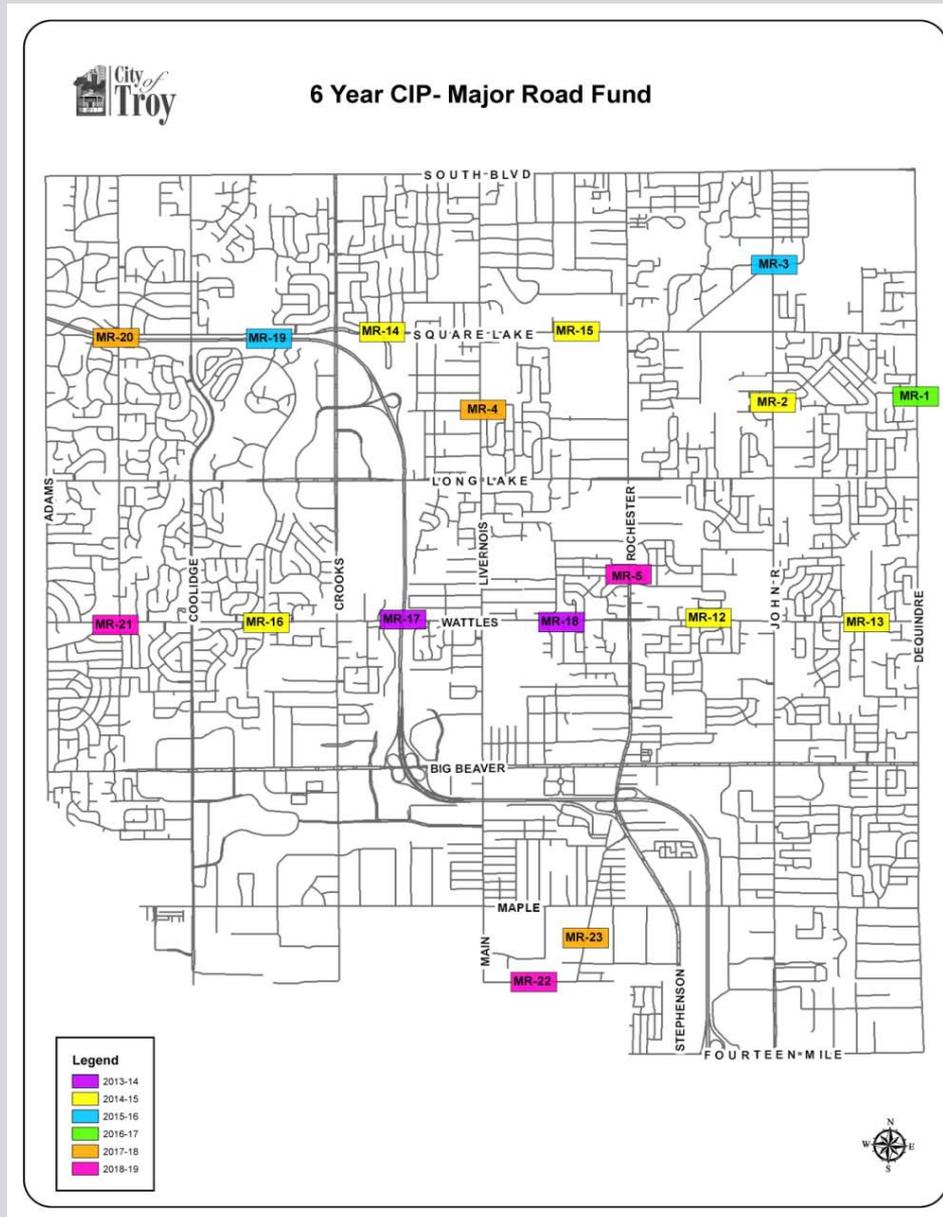
Other = \$1.3 Million

Library Materials (<i>Collections</i>)	\$ 0.6 million
Debt Service	\$ 0.5 million
Tax Refunds	\$ 0.1 million
Street Lighting & Other Equipment (<i>LED Lighting – Big Beaver – John R West</i>)	\$ 0.1 million

Visioning for Success – Capital Projects - Conclusions

- 1. Maintain infrastructure Major/Local in fair to good condition**
- 2. No use of Capital Funds to balance General Fund budget**

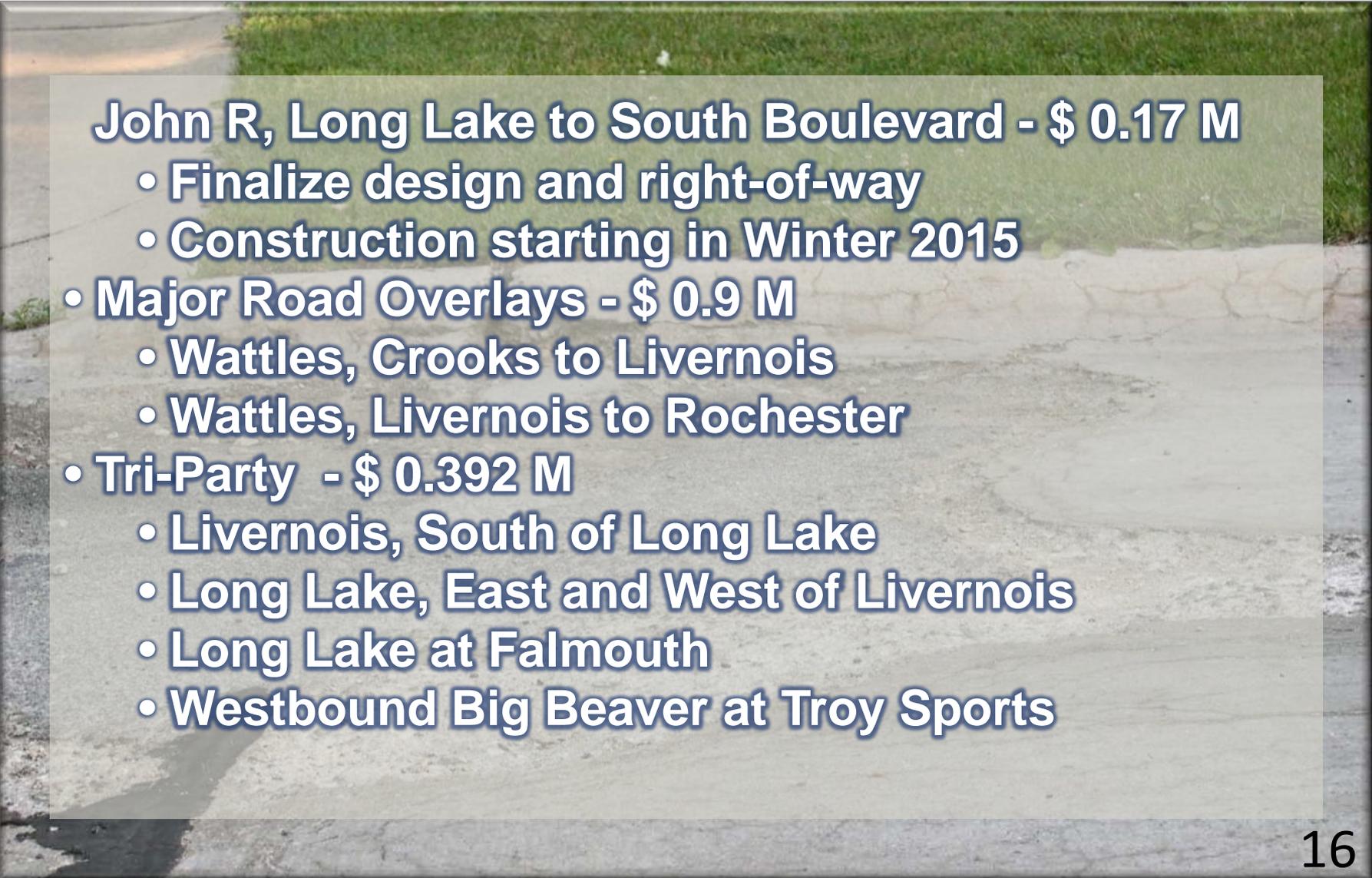
6-Year CIP – Major Roads Fund



Current and Future Needs Major Roads Fund

2013/14	\$ 2,562,000
2014/15	\$ 3,925,000
2015/16	\$ 4,675,000
2016/17	\$ 6,200,000
2017/18	\$ 4,155,000
2018/19	\$ 3,575,000

Proposed Projects for 2013/14 Major Roads Fund

- 
- The background of the slide is a photograph of a paved road with a grassy area to the left. The road surface is light-colored concrete or asphalt, showing some wear and discoloration. The grass is green and appears to be a lawn or roadside area. The overall scene is outdoors during the day.
- John R, Long Lake to South Boulevard - \$ 0.17 M**
 - Finalize design and right-of-way
 - Construction starting in Winter 2015
 - **Major Road Overlays - \$ 0.9 M**
 - Wattles, Crooks to Livernois
 - Wattles, Livernois to Rochester
 - **Tri-Party - \$ 0.392 M**
 - Livernois, South of Long Lake
 - Long Lake, East and West of Livernois
 - Long Lake at Falmouth
 - Westbound Big Beaver at Troy Sports

Proposed Projects for 2013/14 Major Roads Fund

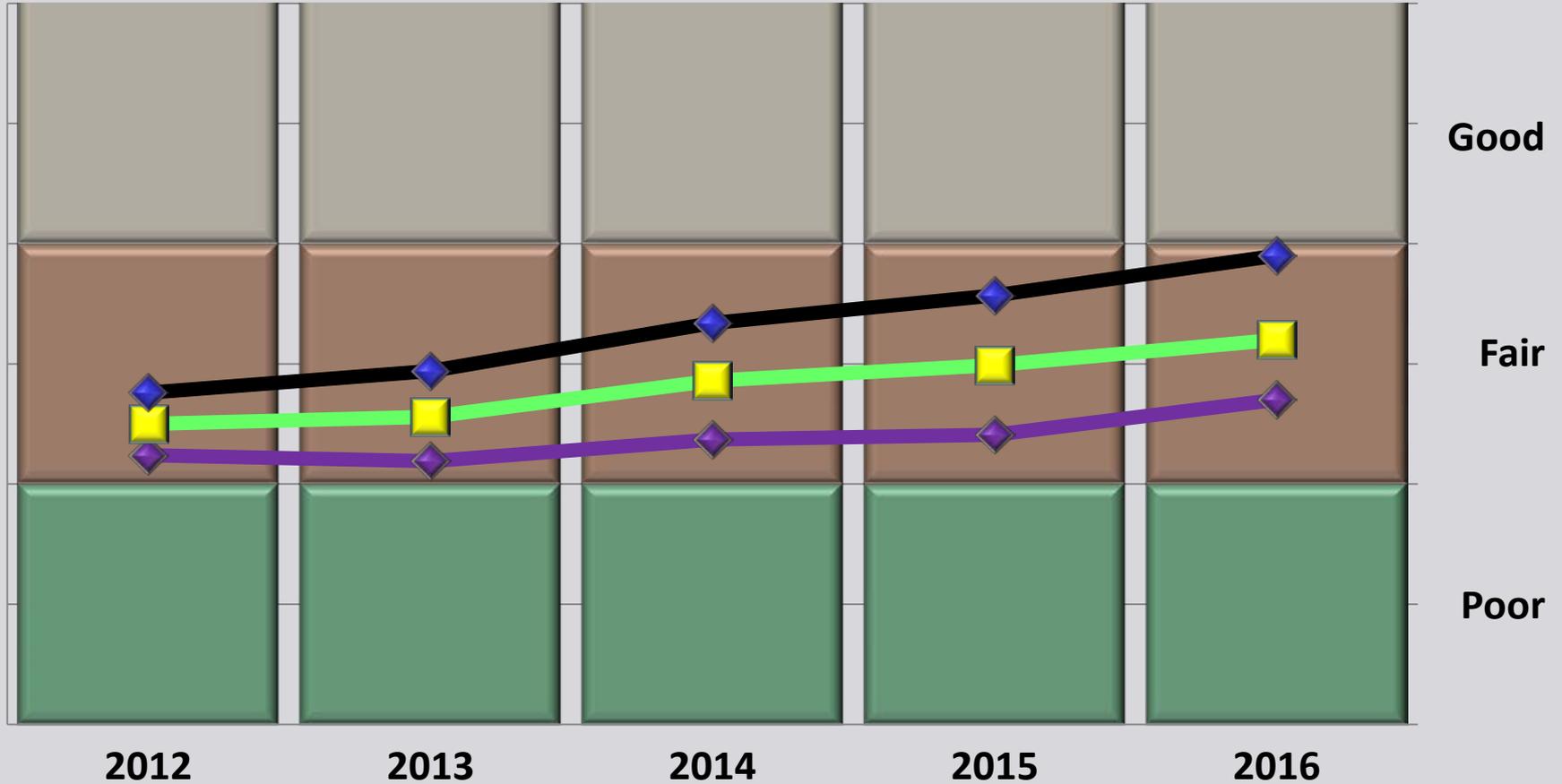
- **NHPP - \$ 0.25 M**
- **Industrial Road Maintenance - \$ 0.7M**
 - **New King Court**
 - **Rankin, Rochester to Allen**
 - **Cunningham, Big Beaver to Coolidge**
 - **Elliott, John R to Minnesota**
 - **Town Center, Civic Center to Livernois**
- **Crack Sealing - \$ 0.05 M**
- **Major Road Slab Replacements - \$ 0.1M**

City Major Road/Industrial Roads Average Condition

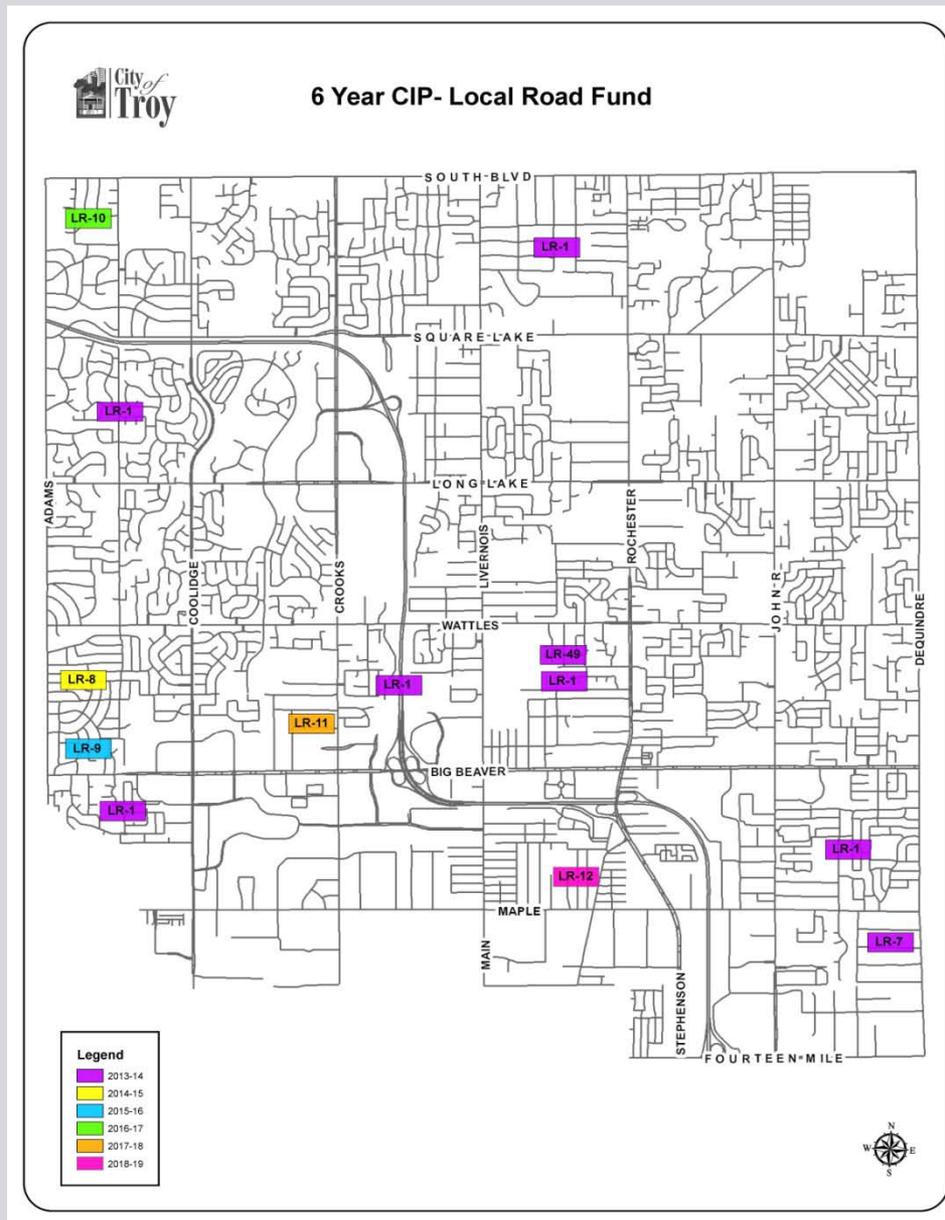
◆ \$1.0 M Budget

■ \$1.5 M Budget

◆ \$2.0 M Budget



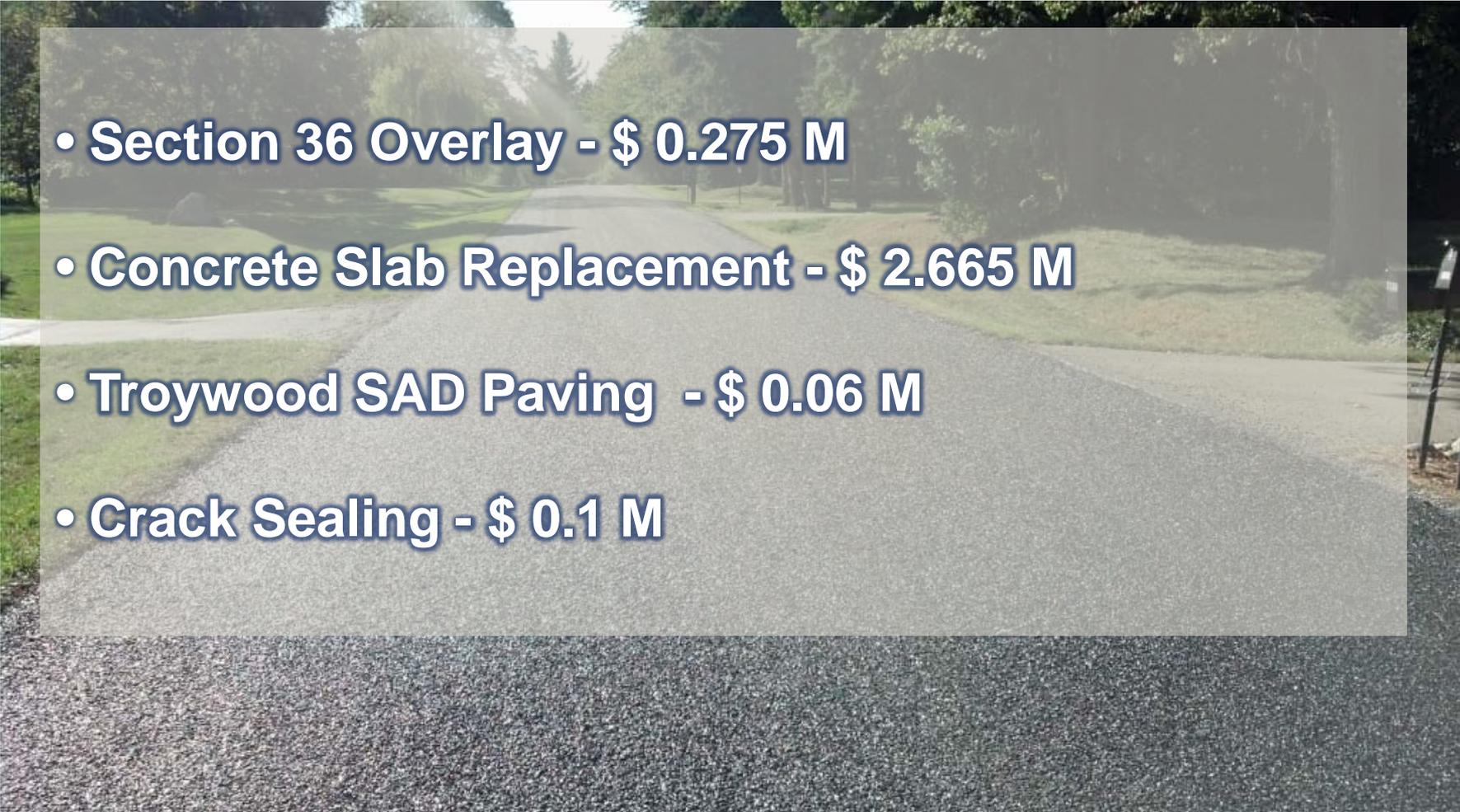
6-Year CIP – Local Roads Fund



Current and Future Needs Local Roads Fund

2013/14	\$ 3,100,000
2014/15	\$ 3,100,000
2015/16	\$ 3,100,000
2016/17	\$ 3,100,000
2017/18	\$ 3,100,000
2018/19	\$ 3,100,000

Proposed Projects for 2013/14 Local Roads Fund

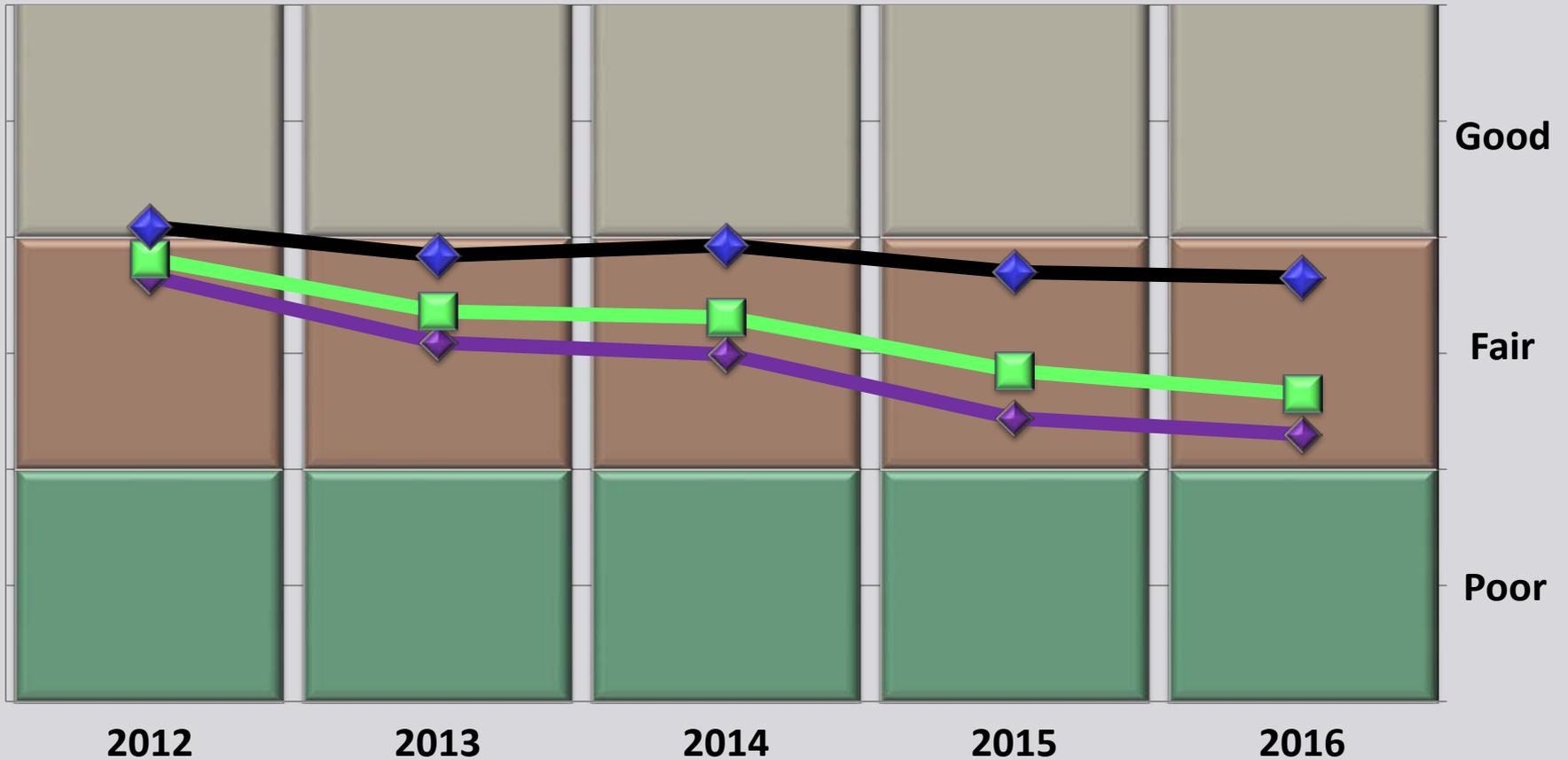
- 
- **Section 36 Overlay - \$ 0.275 M**
 - **Concrete Slab Replacement - \$ 2.665 M**
 - **Troywood SAD Paving - \$ 0.06 M**
 - **Crack Sealing - \$ 0.1 M**

Local Road Average Condition

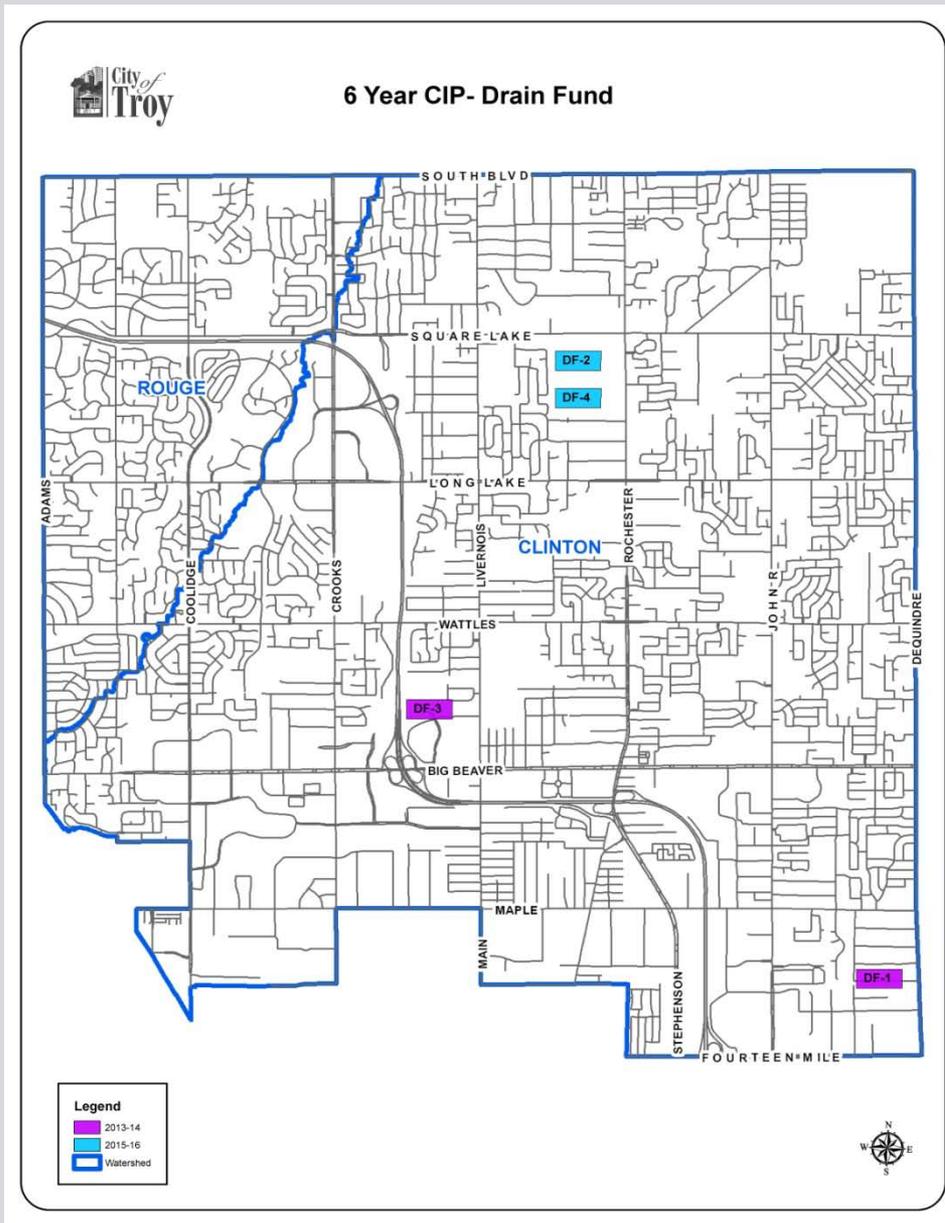
◆ \$2.0 M Budget

■ \$3.0 M Budget

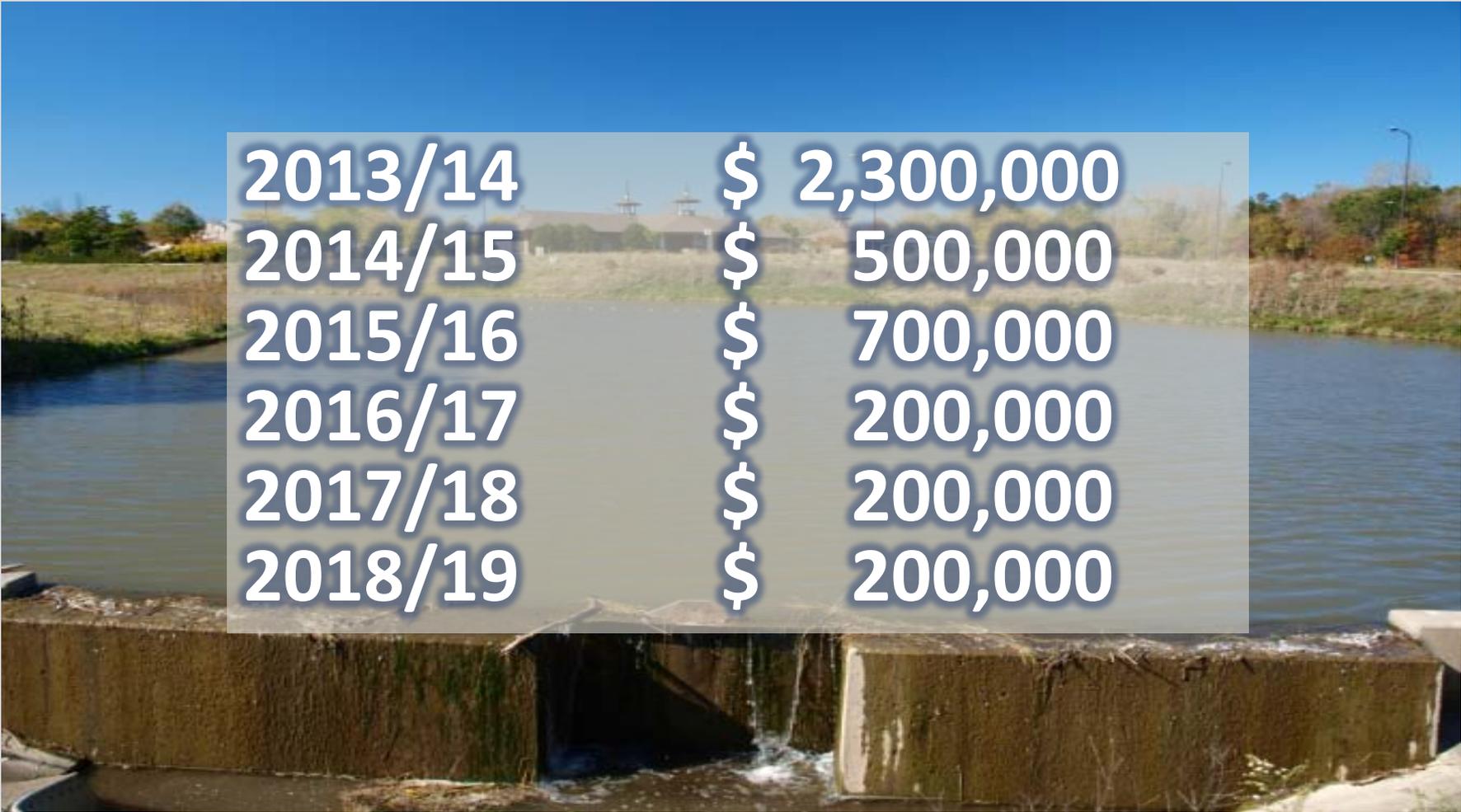
◆ \$5.0 M Budget



6-Year CIP – Drains Fund



Current and Future Needs Drains Fund

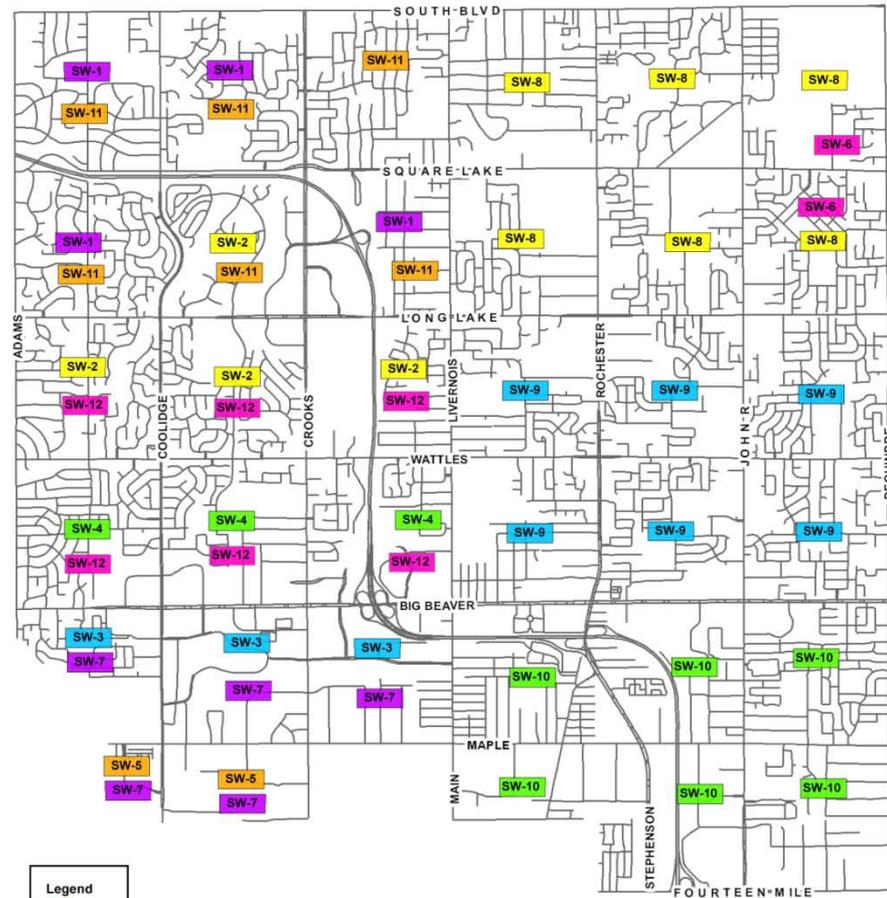


2013/14	\$ 2,300,000
2014/15	\$ 500,000
2015/16	\$ 700,000
2016/17	\$ 200,000
2017/18	\$ 200,000
2018/19	\$ 200,000

6-Year CIP – Sidewalk Fund



6 Year CIP- Sidewalk Fund



Legend	
	2013-14
	2014-15
	2015-16
	2016-17
	2017-18
	2018-19

Current and Future Needs Sidewalk Fund



2013/14	\$	800,000
2014/15	\$	800,000
2015/16	\$	800,000
2016/17	\$	500,000
2017/18	\$	500,000
2018/19	\$	500,000

2014 Capital Project Consideration

I/75 and Crooks interchange leverage of Tri-County Project to continue Crooks	\$500,000
--	------------------

Advance Square Lake by 1 year <i>(From Livernois to Rochester)</i>	\$500,000
--	------------------

Funding transfer from General Fund Fund Balance	\$1,000,000
--	--------------------

Special Revenue Funds

- CDBG
- Local Street
- Major Street
- Budget Stabilization
- Drug Forfeiture

Community Development Block Grant Fund

2013

2014

Revenues

Federal Grants

\$606,084

\$731,100

Expenditures

Home Chore Program

37,436

65,300

Administration

0

40,000

Section 36 Road Improvements

568,648

610,100

Section 36 Park

0

15,700

Total Expenditures

\$606,084

\$731,100

Local Street Fund

	2013	2014
<u>Revenues</u>		
State Grants	\$1,300,000	\$1,380,000
Interest and Rents	8,000	8,000
Operating Transfer In	313,048	300,000
Total Revenues	\$1,621,048	\$1,694,892
<u>Expenditures</u>		
Operating Transfer Out	<u>\$1,694,892</u>	<u>\$1,705,900</u>
Surplus (Use) of Fund Balance	(73,844)	(17,900)
Beginning Fund Balance (Est.)	<u>1,643,758</u>	<u>2,219,805</u>
Ending Fund Balance (Est.)	<u>1,569,914</u>	<u>2,201,905</u>

Major Street Fund

	2013	2014
<u>Revenues</u>		
State Grants	\$3,350,000	\$3,500,000
Interest and Rents	15,000	9,000
Total Revenues	3,365,000	3,509,000
<u>Expenditures</u>		
General Fund	1,851,952	1,946,000
Local Street Fund	313,048	300,000
Capital Fund	1,200,000	1,800,000
Total Expenditures	3,365,000	4,046,600
Surplus (Use) of Fund Balance	0	(537,000)
Beginning Fund Balance (Est.)	<u>2,492,963</u>	<u>2,768,126</u>
Ending Fund Balance (Est.)	<u>2,492,963</u>	<u>2,230,526</u>

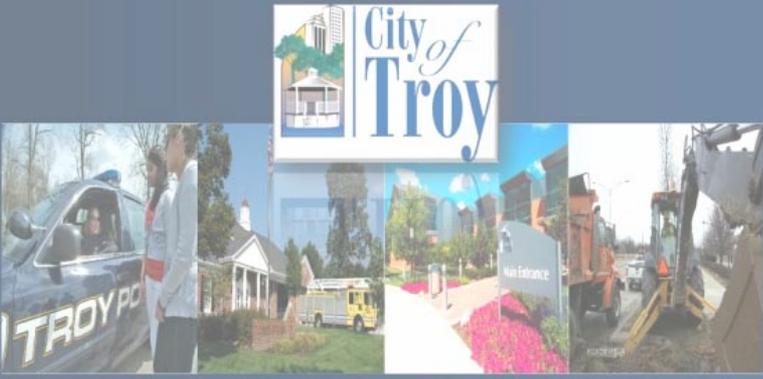
Budget Stabilization Fund

	2013	2014
<u>Revenues</u>		
Interest	\$ 5,000	\$ 5,000
Operating Transfer In	0	0
Total Revenues	5,000	5,000
<u>Expenditures</u>		
General Fund	<u>0</u>	<u>0</u>
Surplus (Use) of Fund Balance	5,000	5,000
Beginning Fund Balance (Est.)	<u>1,513,257</u>	<u>1,518,118</u>
Ending Fund Balance (Est.)	<u>\$1,518,257</u>	<u>\$1,523,118</u>

Drug Forfeiture Fund

	2013	2014
<u>Revenues</u>		
Fines and Forfeitures	\$378,800	\$119,900
Operating Transfer In	206,000	0
Total Revenues	584,800	119,900
<u>Expenditures</u>		
Supplies	52,000	52,000
Transfer to Capital	<u>80,000</u>	<u>10,000</u>
Total Expenditures	<u>132,000</u>	<u>62,000</u>
Surplus (Use) of Fund Balance	452,800	57,900
Beginning Fund Balance (Est.)	<u>0</u>	<u>222,700</u>
Ending Fund Balance (Est.)	<u>\$452,800</u>	<u>\$280,600</u>

Debt Service Fund



**2013/14 Budget
And Three-Year Budget
Proposed**

- Attract & Retain Quality Employees And Investigate Programs to Improve Morale
- Find a Solution To The DDA Bond Issue
- Improve Public Perception Of The City- Analyze Social Media Opportunities To Connect
- Support the Transit Center & Hold Promotional Events
- Strengthen Police/Fire Consider Putting Police Officers Back In Schools
- Redevelop Sites/ Office Space
- Promote Troy Find a Way To Convince Youth to Stay In Troy
- Evaluate Efficiencies Of Outsourcing Services And Consider Outsourcing Other Areas
- Re - Evaluate Vision 2020
- Improve Roads Examine Budget Allocation
- Develop 3-Year Budget Projections
- Increase Lines Of Communication With Troy Schools

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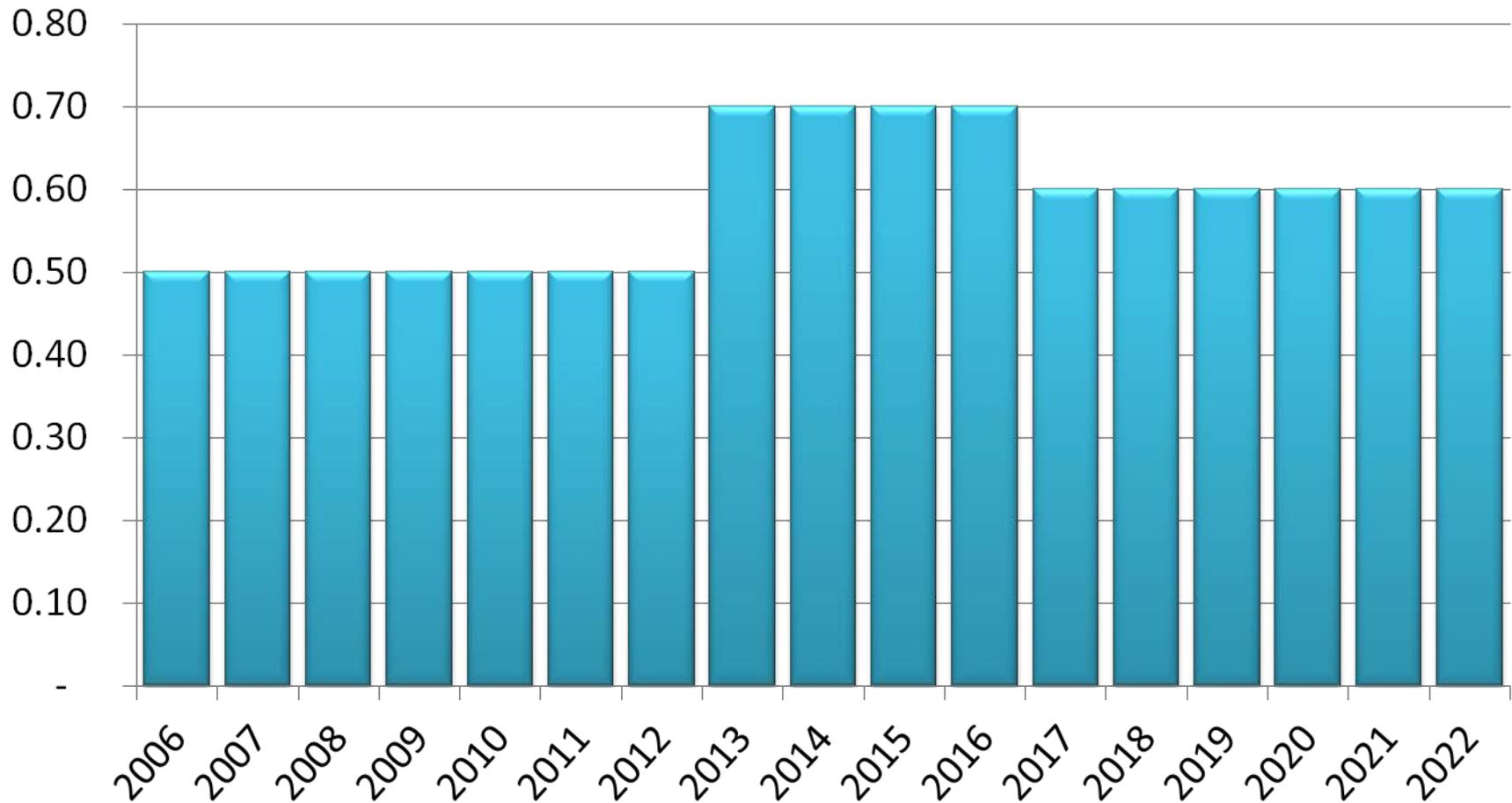
Debt Service

- **Proposed millage rate remains at 0.70**
- **General Debt Service Fund**
- **Proposal**
 - **A – Streets (Crooks, Livernois, Dequindre, Long Lake)**
 - **B – Public Safety and City Hall Addition/Renovation**
 - **C – Recreation Including Community Center**
- **Schedule of Principal and Interest – All Funds**
- **Projected Millage Rate Requirements - General Debt Fund**

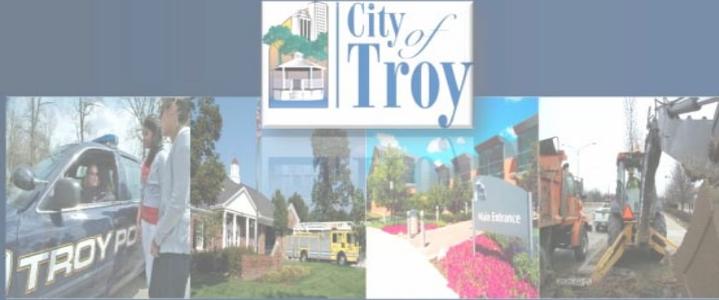
Debt Service Fund

	2013 Budget	2014 Budget	2015 Budget	2016 Budget
<u>Revenues</u>				
Taxes	\$2,980,000	\$2,965,000	\$2,976,000	\$2,999,000
Interest and Rents	<u>10,000</u>	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>
Total Revenues	2,990,000	2,979,000	2,990,000	3,013,000
<u>Expenditures</u>				
Other Services/Charges	112,500	103,500	93,500	83,500
Operating Transfer Out:				
Proposal A Debt	886,370	881,268	950,524	914,812
Proposal B Debt	1,417,950	1,376,075	1,335,075	1,392,100
Proposal C Debt	745,900	746,200	753,350	722,900
Total Expenditures	<u>\$3,162,720</u>	<u>\$3,107,043</u>	<u>\$3,132,449</u>	<u>\$3,113,312</u>

Projected Millage Rate Requirements General Debt Fund



Three Year Budget & Five Year Forecast



**2013/14 Budget
And Three-Year Budget
Proposed**

- Attract & Retain Quality Employees And Investigate Programs To Improve Morale
- Find a Solution To The DDA Bond Issue
- Improve Public Perception Of The City- Analyze Social Media Opportunities To Connect
- Support the Transit Center & Hold Promotional Events
- Strengthen Police/Fire Consider Putting Police Officers Back In Schools
- Redevelop Sites/ Office Space
- Promote Troy Find a Way To Convince Youth to Stay In Troy
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3-Year Budget Expenditures

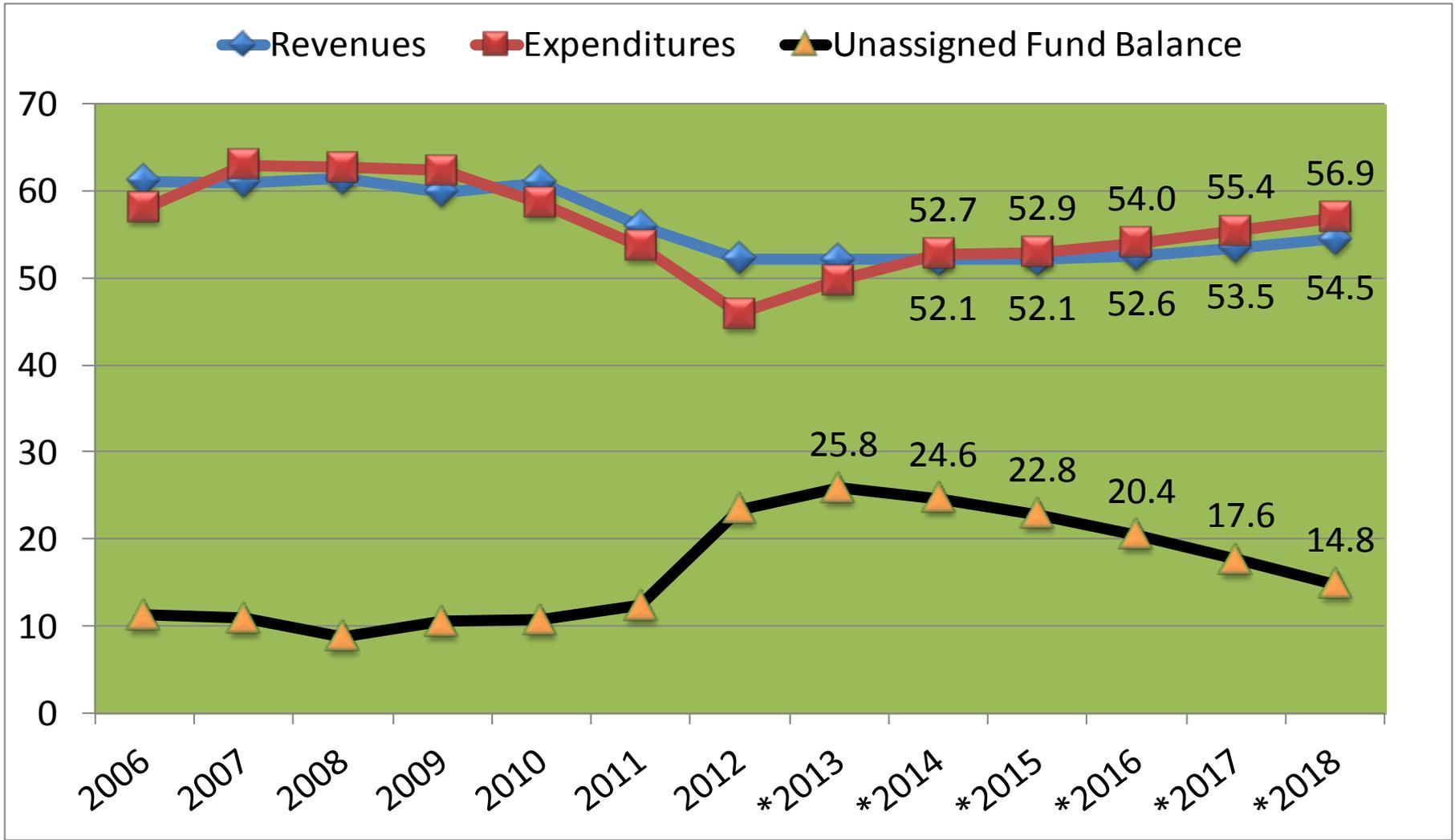
	2013/14	2014/15	2015/16
General Fund	\$52,682,600	\$52,926,600	\$53,965,600
Refuse Fund	4,490,500	4,623,180	4,759,000
Library Fund	3,211,000	3,227,000	3,251,000
Debt Service	3,107,043	3,132,449	3,113,312
Capital Fund	13,750,200	10,823,805	12,181,268
	<u>\$77,241,343</u>	<u>\$74,733,034</u>	<u>\$77,270,180</u>

3-Year Budget

General Fund – Revenues

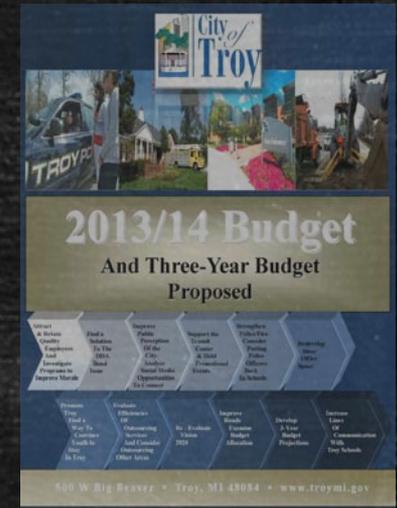
	2014	2015	2016
<u>Revenues</u>			
Taxes	\$29,663,000	\$29,775,000	\$30,094,000
All Other Revenues	18,234,600	18,164,700	18,270,100
Transfers	4,190,900	4,178,300	4,241,000
Total Revenues	52,088,500	52,118,000	52,605,100
<u>Expenditures</u>			
Public Safety	30,410,100	30,477,500	31,198,800
Streets, Drains, Parks	8,153,800	8,261,700	8,389,400
All Other Departments	14,118,700	14,187,400	14,377,400
Total Expenditures	52,682,600	52,926,600	53,965,600
Surplus (Use) of Fund Balance	(594,100)	(808,600)	(1,360,500)
Ending Fund Balance (Est.)	<u>34,201,966</u>	<u>33,393,366</u>	<u>32,032,866</u>

General Fund 5 Year Forecast



* - Estimated

Troy Working Together – What Kind of a City Do We Want to Be?



Historic Village, The Nature Center and DDA

Historic Village

Operating History for Historic Village



***2014 (proposed) Operations-** \$100,000
Buildings- \$46,800
Grounds- \$27,500

***2012- Historic Village assumed full operation duties from the City.**
***Total Museum Budget consist of operations, buildings, and museum grounds**

Historic Village – Fiscal Profile

	Budget	THS Revenue	THS Expenses	City
Investment				
2009/10	431,000	–	–	431,000
2010/11	212,300	–	–	212,300
2011/12	295,600	248,740	257,000	50,000
2012/13	299,000	293,576*	281,600*	75,000
2013/14	400,000	300,000	400,000	100,000

*includes 4th quarter projected revenue and expenses

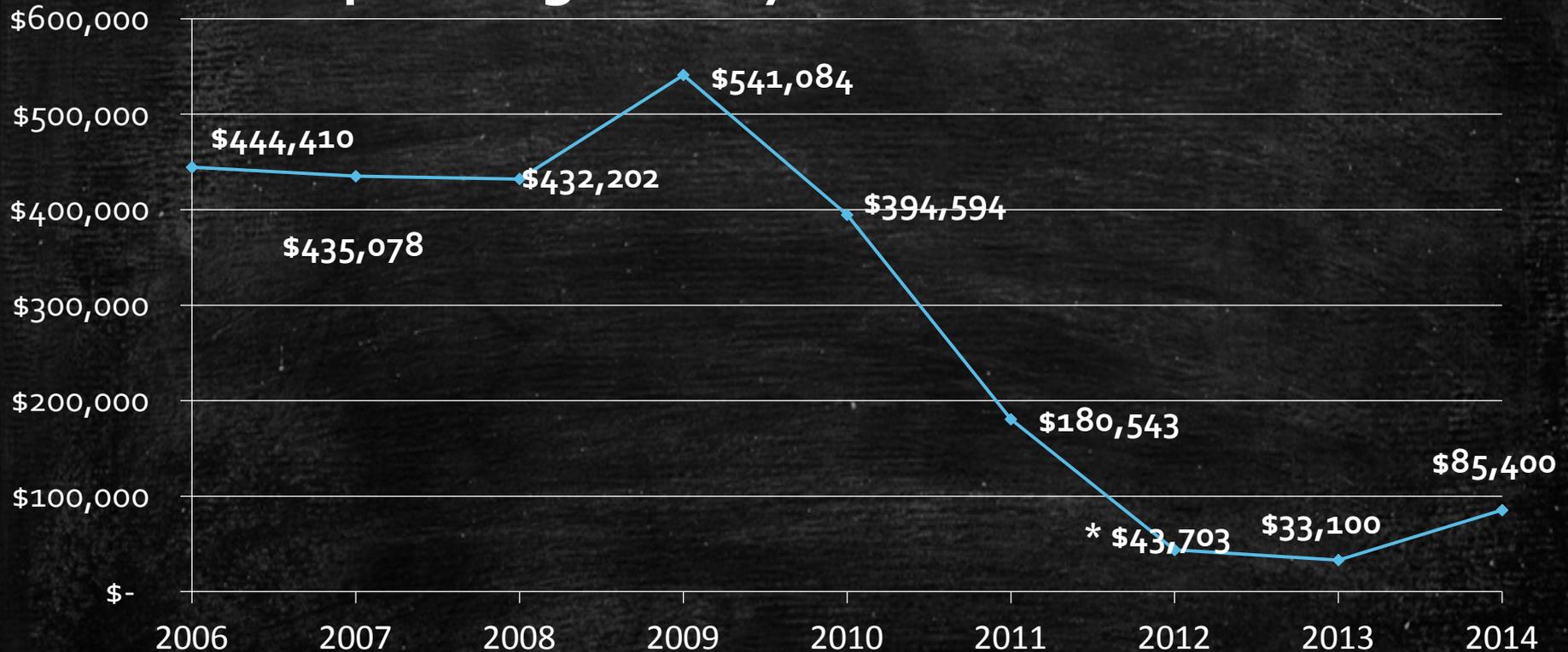
- Core services not included in budgets, revenues, or expenses
- Operations and administration in balance with 2013/14 City investment
- Additional expenses for grant and sponsorship development and marketing in second quarter
- 3500 hrs. of volunteer service
- No salary increases, no benefits or bonuses
- THS fund balance is 30% of budget
- Add Development Specialist, Business Manager and Curator

Historic Village – A Balanced Operational Approach

- Use technology to reduce costs and increase revenues
- Improve marketing with members, donors, sponsors and the public through online services and traditional and social media
- Increased participation in Chamber of Commerce and Cultural Source
- Complete Strategic Plan and begin implementation
- Recruit additional volunteers and staff with needed skills identified in Strategic Plan
- Implement 3-year calendar for grants and sponsorships
- Continue to investigate and develop collaborations with the Troy Nature Society
- Maintain public hours of operation 6 days a week during the summer
- Work with Troy School District to provide additional programs and services
- Support the City's economic development initiatives

Nature Center

Operating History for Nature Center



***Total budget inclusive of personal services, supplies, other service charges, and capital outlay**
•City's Operational support-\$0 approved 2013
•City's Operational support- \$50,000 request 2014

***2012- Nature Center assumed full operation duties from the City**

DDA Budget

2013-14 Budget

Revenue

Property Taxes	\$ 216,040
Investment Income	6,000
Total Revenue	<u>222,040</u>

Expenditures

Administrative Expenses	-
Audit fees	3,070
Tax Tribunals	106,200
Street Island Maint.	-
Debt Service - Big Beaver Phase 2 & 3	1,193,088
Debt Service - MTF Bonds (Roch. Rd.)	-
Debt Service - Refund 1995 Dev. Bonds Series A	825,525
Debt Service - Community Center Series 2002	824,425
Debt Service - Community Center Jr. Lien 2003	419,832
Total Expenditures	<u>3,372,140</u>

Net Surplus (Use) of Fund Balance	(3,150,100)
Beginning Fund Balance (Estimated)	3,029,893
Ending Fund Balance (Deficit)	<u>(120,207)</u>

DDA 5-Year Projection

Five -Year Budget Projection April 27, 2012

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Re-appropriation Fund Balance	-	-	-	-	-
Investment Income	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
Operating Expenditures					
Operating Expenses	-	-	-	-	-
Administrative Expense	-	-	-	-	-
Street Island Maintenance	-	-	-	-	-
Tax Tribunals	-	-	-	-	-
Total Operating	-	-	-	-	-
Debt Service Expenditures					
Big Beaver Phase 2 & 3	1,192,500	1,194,000	1,195,125	1,196,000	1,194,125
Refund Series 'A'	825,465	823,475	821,375	824,125	820,000
Community Center-2002	848,075	844,215	863,075	854,600	868,700
Community Center Jr.-2003	432,925	469,125	502,065	531,875	510,625
Total Debt Service	3,298,965	3,330,815	3,381,640	3,406,600	3,393,450
Total Expenditures	3,298,965	3,330,815	3,381,640	3,406,600	3,393,450
Revenues (Under) Expenditures	\$ (3,298,965)	\$ (3,330,815)	\$ (3,381,640)	\$ (3,406,600)	\$ (3,393,450)
Estimated Fund Balance	\$ (3,419,172)	\$ (6,749,987)	\$ (10,131,627)	\$ (13,538,227)	\$ (16,931,677)

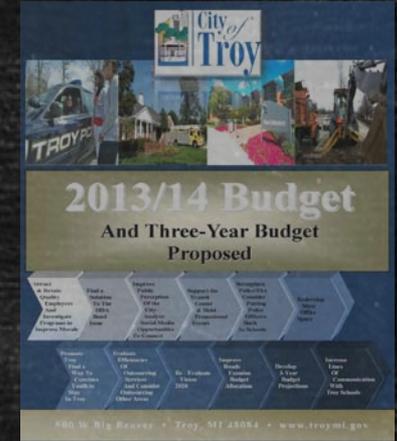
Budget Changes-General Fund

- ✓ Volunteer Firefighter Incentive Program \$78,000 (2014-2016)
- ✓ DDA Budget Increase \$120,000 (2014 only)
- ✓ Planning Commission Education & Training \$3,500 (2014-2016)

Budget Changes-Capital Fund

- ✓ Police Department Carry Over Mobile Digital Computer Replacement \$150,000 (2014 only)
- ✓ Revenue – Local Development Finance Authority Contribution \$52,662 (2014 only)
(Slab replacement – Big Beaver/Smart Zone)

Troy Working Together – What Kind of a City Do We Want to Be?

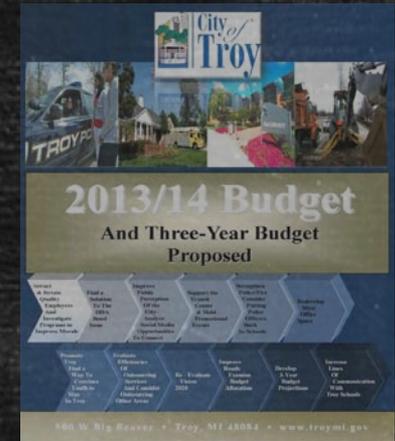


Trends and Summaries

Troy Working Together – What Kind of a City Do We Want to Be?

Focus

- ✓ DDA Bonds
- ✓ Personal Property
- ✓ Infrastructure Investment
- ✓ Employee Programs
- ✓ Create an Environment for Investment
- ✓ Continue to Educate, Rebalance and Progress!

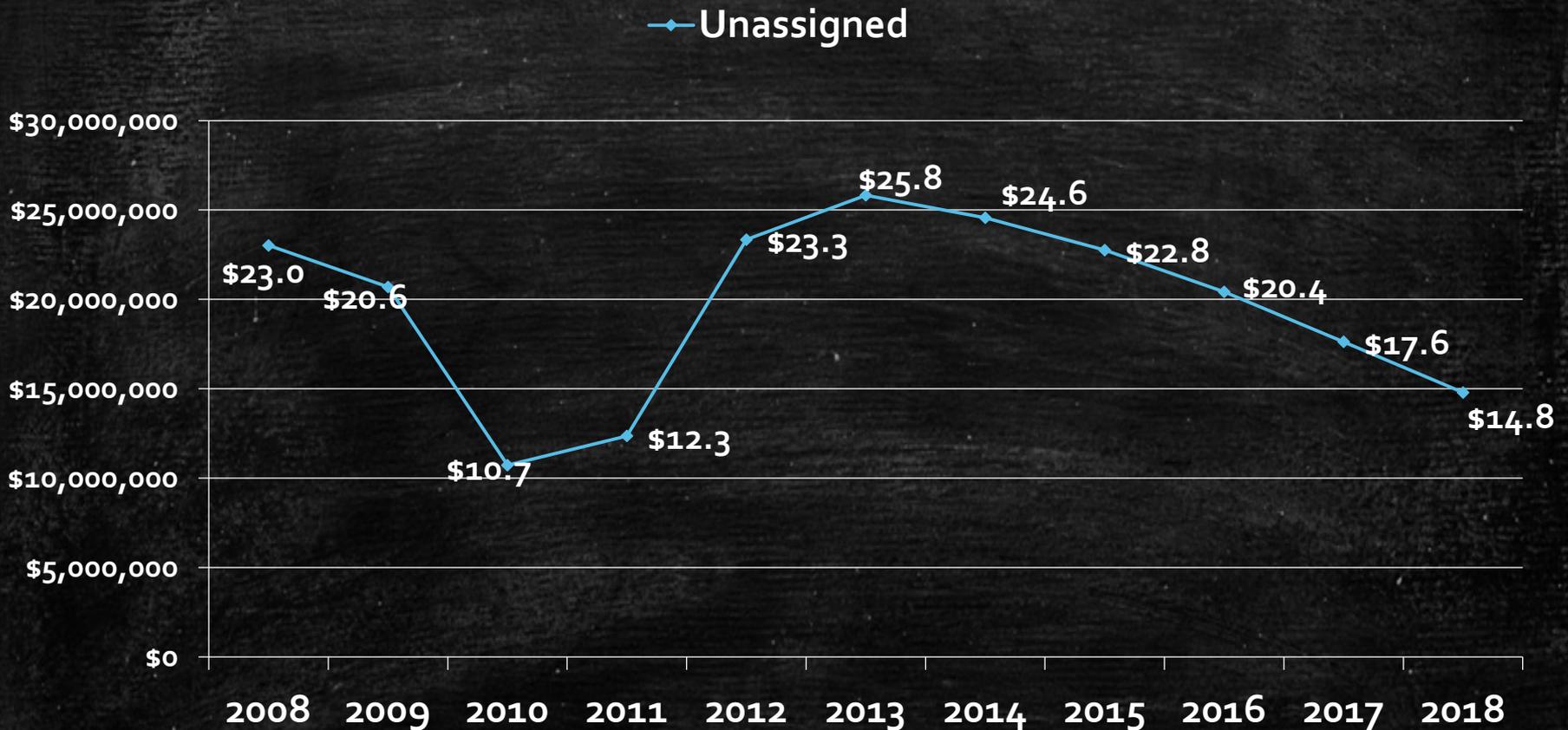


5 Year Unassigned Fund Balance Forecast Under Present Conditions

YEAR ENDING JUNE 30,	GENERAL UNASSIGNED FUND BALANCE SURPLUS (USAGE)	REMAINING UNASSIGNED FUND BALANCE	UNASSIGNED PERCENT OF EXPENDITURES
2013	2,480,286	25,820,666	52.4%
2014	(1,256,600)	24,564,066	45.5%
2015	(1,810,500)	22,753,566	43.0%
2016	(2,335,850)	20,417,716	38.8%
2017	(2,791,850)	17,625,866	31.8%
2018	(2,841,850)	14,784,016	26.0%

Trends and Summaries

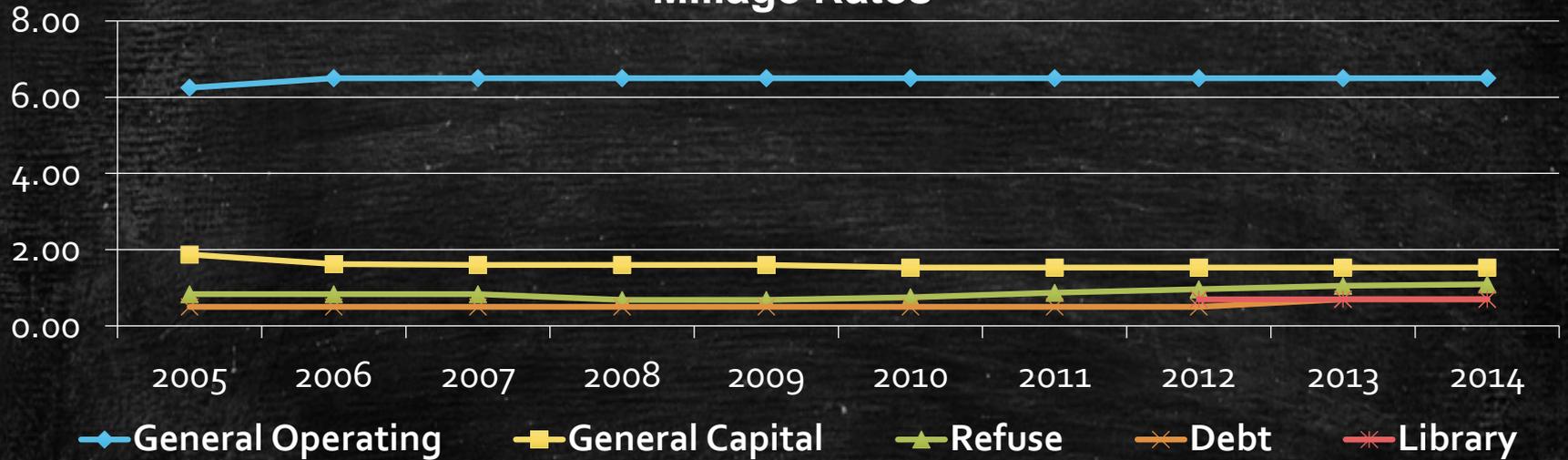
Unassigned Fund Balance (millions)



Trends and Summaries

Only increase is the refuse rate at .07 mills. All other rates stayed the same

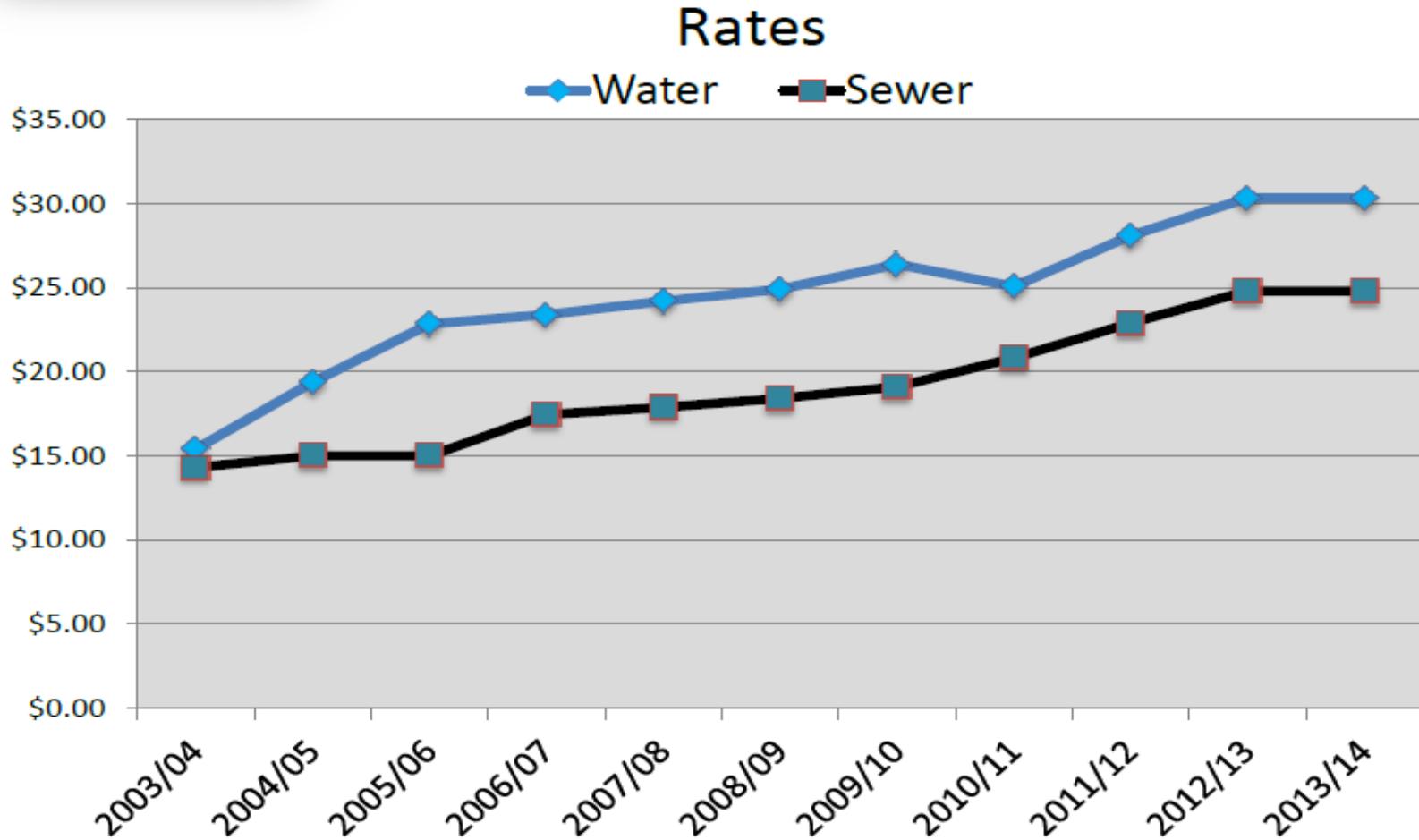
Millage Rates



2005/06 2006/07 2007/08 2008/09 2009/10 2010/11 2011/12 2012/13 Proposed 2013/14

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Proposed 2013/14
General Operating	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Refuse	0.83	0.83	0.68	0.68	0.75	0.87	0.96	1.05	1.09
Capital	1.62	1.60	1.60	1.60	1.53	1.53	1.53	1.53	1.53
Debt	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.70	0.70
Library							0.70	0.70	0.70
Total	9.45	9.43	9.28	9.28	9.28	9.40	10.19	10.48	10.52

Trends and Summaries Water & Sewer Rates

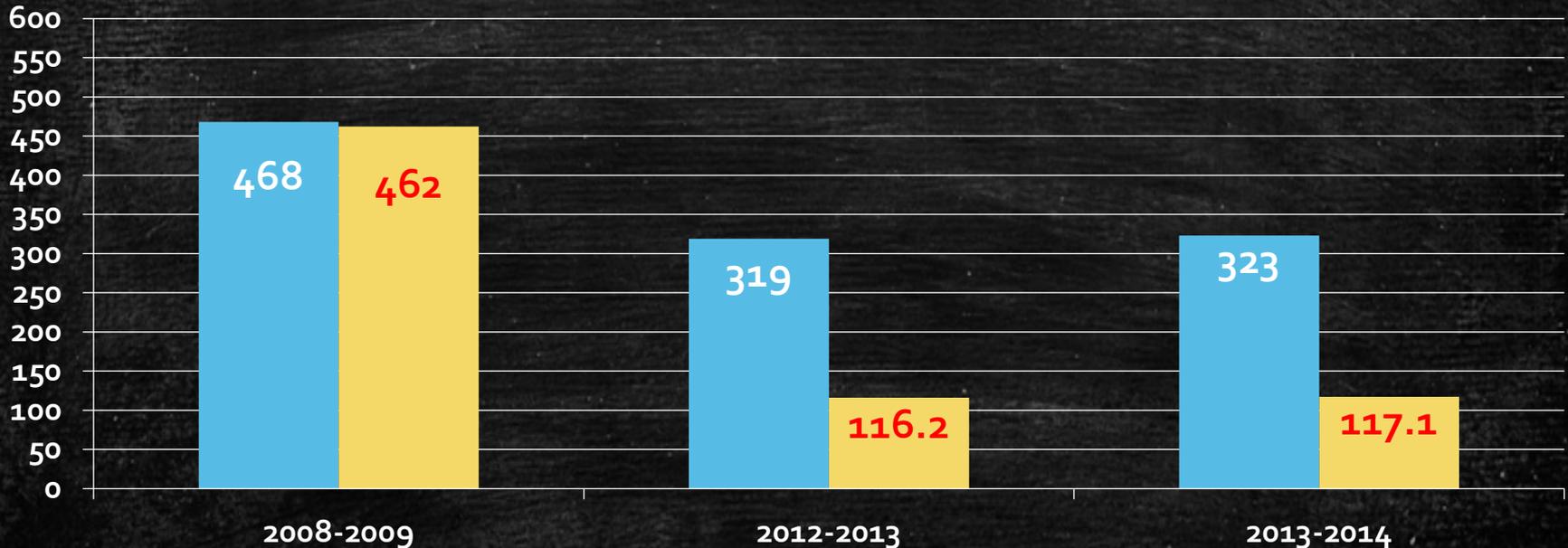


Trends and Summaries

Staffing Levels

Total Staffing Levels per FY

■ Full Time ■ Part Time

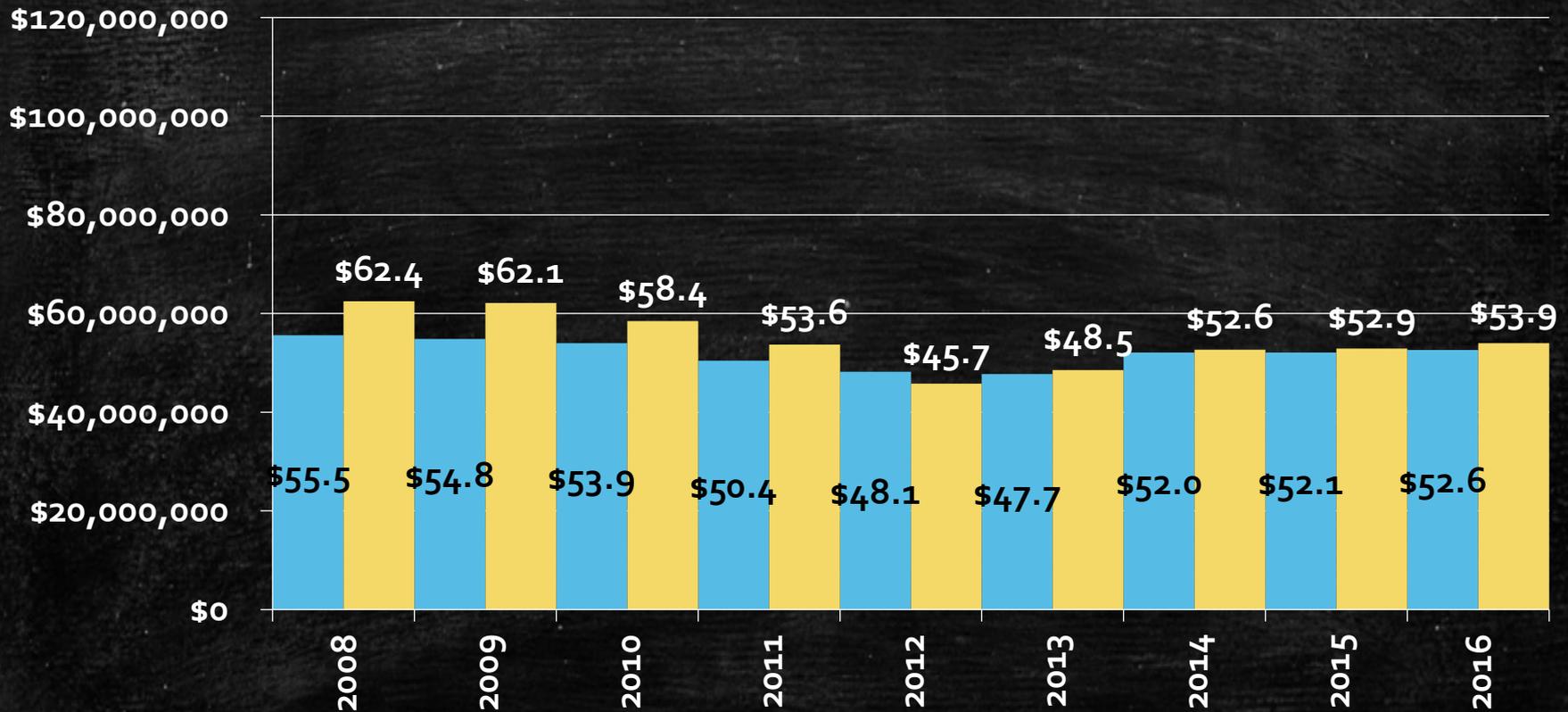


Trends and Summaries

General Fund Revenue & Expenditure

General Fund Revenues and Expenditures (millions)

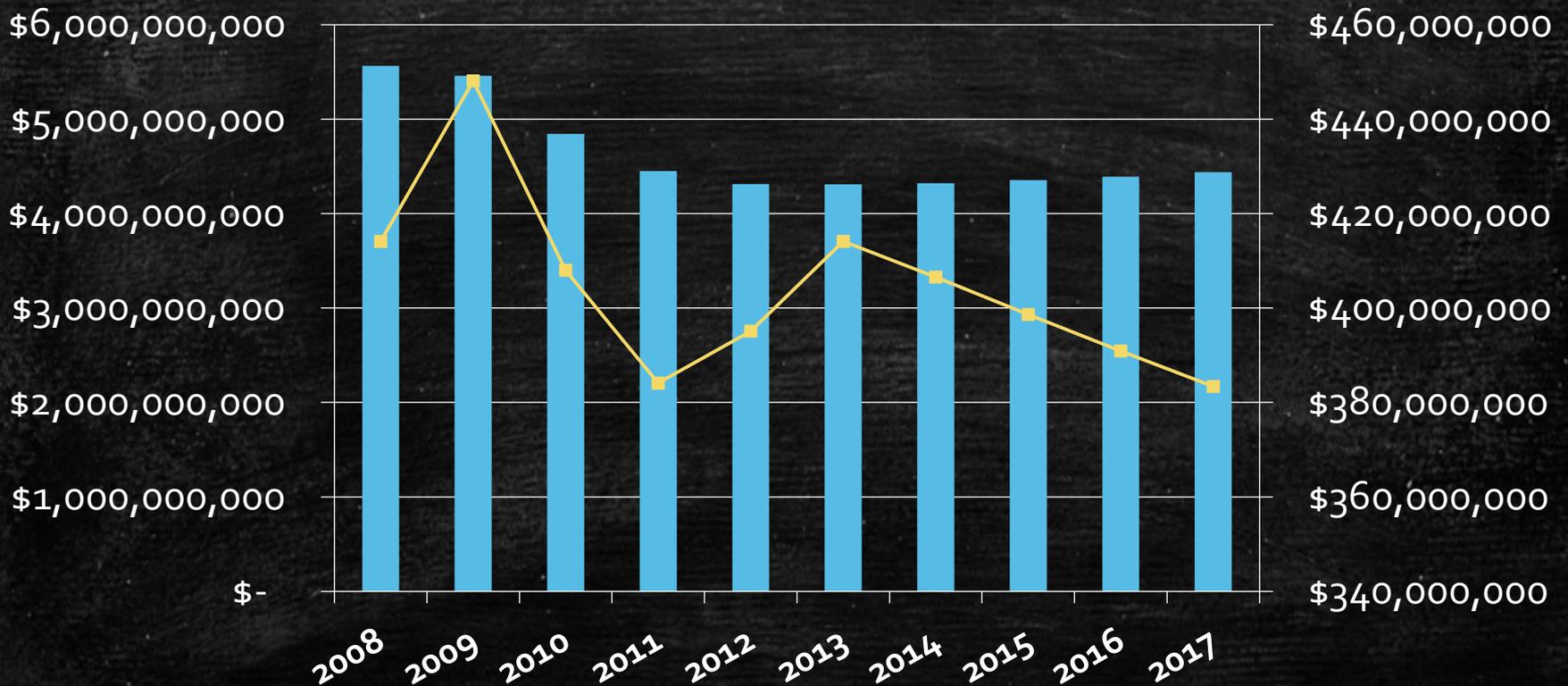
■ Revenue ■ Expenditures



Trends and Summaries

Assessment Roll Changes

■ Total Taxable value ■ Personal Property



Trends and Summaries

Building Permit Activity

