



CITY COUNCIL REPORT

October 30, 2009

TO: The Honorable Mayor and City Council Members

FROM: John Szerlag, City Manager

SUBJECT: Status of City Council's Policy Options to Lessen the Impact of Reduced Services and Mitigate Workforce Reduction

On September 9, 2009 I submitted to the Troy City Council a restructuring plan that spans 5 years. This plan would take effect if the City did not improve the General Fund revenue stream in conjunction with expenditure reduction. I also identified 6 options to lessen the impact of reduced services and mitigate workforce reduction. They follow:

- 1) Seek employee concessions.
- 2) City Council can ask the voters if they wish to approve a General Fund millage increase.
- 3) City Council can ask the voters if they wish to approve a millage increase for a specific use, like a Library.
- 4) City Council can establish an independent library board separate from the City of Troy's General Fund and levy up to 1 mill for the operation thereof. This could be accomplished without voter approval.
- 5) City Council can authorize the use of the Budget Stabilization Fund, Fund Balance, and increase some administrative fees.
- 6) City Council can transfer some funds from General Capital to General Operating.

Looking at this issue from a policy or big picture perspective, here's where we are: Given factors beyond our control, we have an economically unsustainable organization. Without any changes in how we operate, our projected deficit is \$1.6 million this fiscal year, \$6.2 million in fiscal year 2010/11, and \$6 million in fiscal year 2011/12. This comes to about a \$14 million shortfall from now through June 30, 2012 and we're confident that our degree of accuracy is about 98%. We might not be able to assure 98% accuracy in the figures for the last 3 of the 5 years projected, but Oakland County government and private sector experts agree with our projections.

Recap and Update on Policy Options to Lessen the Impact of Reduced Services and Mitigate Workforce Reduction

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The Downtown Development Authority cannot help the General Fund; nor can the sale or privatization of the golf courses assist us in any appreciable degree. The reduced level of service options identified in my September 9, 2009 memorandum make use of the Budget Stabilization Fund, but not Fund Balance. Here's how the additional revenues from General Fund Balance would look on a yearly basis by reducing the Fund Balance to 15% each year. And assuming General Fund expenditures equal General Fund revenues:

Fiscal Year 2010/11 - \$1.8 million
Fiscal Year 2011/12 - \$0.6 million
Fiscal Year 2012/13 - \$0.1 million
Fiscal Year 2013/14 - \$0.2 million
Fiscal Year 2014/15 - \$0.1 million

[Attachment #1](#) delves further into this matter.

At the October 19, 2009 City Council Meeting, the governing body began its policy discussion on how to address our projected deficit. At the meeting there was general consensus not to ask the voters if they wish to approve a millage increase for a specific use, like the library. Additionally, there was a general consensus not to establish an independent library board separate from the City of Troy and levy up to 1 mill for the operation thereof. As such, the balance of this memo will no longer address these issues. This leaves me with seeking employee concessions; it leaves you to consider asking the voters if they wish to approve a General Fund millage increase, authorizing the use of Fund Balance and increased administrative fees, and/or the transfer of some funds from General Capital to General Operating. I will now provide an update, when possible, for each item.

1) [Seek employee concessions.](#)

I continue to seek employee concessions, but can't guarantee what they'll be. We currently have 6 labor unions as well as 2 employee groups that are petitioning for unionization. As indicated previously, a partnership is being sought between employees, City Council, and the community.

In terms of privatization/regionalization, we're estimating about a 40% savings in this area, which comes with a reduced level of service. However, we will not know actual savings until about a year after implementation and audits are performed.

Regardless of what happens to the millage rate, lay-offs are going to occur through privatization, regionalization and/or consolidation. To this end, I've assembled a team consisting of planning consultant Dick Carlisle, Assistant City Manager John Lamerato, Acting Assistant City Manager Mark Miller, Human Resources Director Peggy Sears, and Purchasing Director Susan Leirstein. This team is currently working with the Building and Engineering departments for reason of developing specifications to partially privatize these areas.

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Please know that once we obtain costs for privatization, regionalization and consolidation from the private sector, I'm going to give our employees an opportunity to compete for this work; if employees can perform the same scope of work at around the same cost, then the work should be continued to be performed in-house.

So too, there are going to be lay-offs in various areas of the organization before the end of this calendar year because of either reduced workload due to economic conditions or consolidation of some functions.

2) **City Council can ask the voters if they wish to approve a General Fund millage increase.**

If the answer is 'no', you can skip the rest of this section. If the answer is 'yes', you need to determine if the voters should decide this issue at a special election or a general election. There are 2 opportunities for a special election; one on February 23, 2010 and one on May 4, 2010. Council's deadline for a February special election is December 15, 2009 and the deadline for a May special election is February 23, 2010. A special election utilizing consolidated precincts costs \$75,000 to \$90,000 if you don't include staff time that's already budgeted. Please know that for 31 precincts it would cost about \$100,000 to \$125,000, which includes staff time.

A February special election means that City management can develop a budget for fiscal year 2010/11 knowing with great accuracy our revenue line. A May special election means that we would need to run 2 concurrent budgets, one assuming passage of a millage, and one assuming non-passage. There is also a possibility that we would have to run 4 concurrent budgets, depending on the ballot language, i.e., the voters could be asked if they wished to approve no increase; a 1 mill increase; a mill and a half increase; or a 1.9 mill increase. Given time constraints, I don't think it's feasible to develop, review, calibrate and approve concurrent budgets.

In the alternative, Council could also have a millage question for the November 2010 election. However, any millage increase could not take effect until the following fiscal year July, which means July 1, 2011 – June 30, 2012.

Speaking of millage rates, I continue to be asked what the effect will be on a City tax bill, as well as the entire local property tax bill, if: a) There is not a millage increase; and b) There is a millage increase.

[Attachment #2](#), prepared by City Assessor Nino Licari, answers these questions. Succinctly, no millage increase means a savings in the 2010 average residential tax bill of \$157.89 for City taxes and \$429.81 for the rest of the property tax bill for a total savings of \$587.70. Conversely, a 1.9 City millage increase means an increase in the property tax bill compared to 2009 of \$37.81 and there will still be a decrease in the other portions of the property tax bill of \$429.81 resulting in a savings of \$392.00 on the entire tax bill.

Recap and Update on Policy Options to Lessen the Impact of Reduced Services and Mitigate Workforce Reduction

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- 3) City Council can authorize the use of the Budget Stabilization Fund, Fund Balance and increase some administrative fees.

As indicated earlier, the workforce reduction option that was part of the September 28, 2009 PowerPoint presentation, utilizes \$300,000 of Budget Stabilization funding every year for the next 5 years. That comes to \$1.5 million and we currently have available \$1.8 million. This brings us to the use of Fund Balance.

[Attachment #3](#) is the original matrix entitled, "Option 1" which indicates total full-time lay-offs of 159 personnel. [Attachment #4](#) is "Option 1-a", and that option reduces the deficit between shortfalls and expenditures by \$2.8 million over 5 years as a result of reducing the Fund Balance to 15%. In summary, use of Fund Balance to this degree changes the original workforce reduction option by zero, as in essence the use of Fund Balance buys time, not employees. Refer again to [Attachment #1](#), as it illustrates this fact.

Along a similar vein, we have \$1.2 million in the Brownfield Redevelopment Authority revolving fund. However, we'd like to hold this money in abeyance until such time as we can determine how to close the projected shortfall of \$1.6 million in the General Fund this fiscal year. With reference to increasing administrative fees, an increase of 1 – 3% per year is included in our projections.

- 4) City Council can transfer some funds from General Capital to General Operating.

There was some discussion on the feasibility of eliminating capital projects in favor of delaying lay-offs on the operational side of the ledger; in other words, a transfer from General Capital to General Operating. During our October 19 discussion, we spoke of three types of Capital programming: infrastructure maintenance; economic development enhancement projects; quality of life improvements.

Infrastructure maintenance could also be called "pay me now, or pay me later". The most important General Capital Fund element in this category is major and local road maintenance and reconstruction. Other items include drains, sidewalks, bridges, and public facilities.

There was general consensus among Council not to transfer Capital funding allocated for road improvements to the General Operating Fund. There was concurrence with my statement contained in the October 7, 2009 memorandum that a good road system is essential for public safety, blight prevention, and quality of life elements.

Economic development enhancement projects are those that provide a competitive edge over cities in terms of attracting and retaining jobs and businesses. An example is the Transit Center. Council can pull the plug on this project and essentially transfer about \$1.3 million from General Capital to General Operating.

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Our October 19 discussion on this matter pointed out that economic development enhancement projects provide a competitive edge over other cities in terms of attracting and retaining jobs and businesses; and that we should try to leverage grant funds whenever possible to augment the City's investment. However, it was not clear how Council wished to handle this matter. To assist in your deliberations, [Attachment #5](#) is an update on the Transit Center project.

Quality of life improvements projects also provide a competitive edge in terms of having people aspire to live in a particular community, i.e., ours. Examples of these types of improvements are the trail system, and civic center site improvements. Additionally, our existing library, community center, museum and nature center are also quality of life improvements.

Capital Fund reserves for the trail system is \$2 million and Capital Fund reserves for the Civic Center is \$1.1 million. While there was discussion about holding these projects in abeyance until such time as they could be augmented by grant funds, no clear direction by Council in this regard was produced. Thus the policy question becomes:

- a. Do you wish to cancel these projects?
- b. If yes, do you wish to allocate funding to General Operating or unfunded infrastructure needs in General Capital?

Before leaving this issue, there was discussion relative to road improvements. As mentioned in my October 7, 2009 memorandum as well as our table discussion, the City should be allocating approximately \$5 million a year for local road improvements, and we have not done this for the past several years. Funds for major road improvements also rely heavily on the General Capital fund.

Staying on the policy issue, do you wish to scratch economic development, and quality of life projects in favor of shoring up road improvements? Or do you wish to take funding from those programs to delay lay-offs? Of course, another option is to leave these in place.

One more point on the General Capital fund. The Refuse Fund was in trouble this fiscal year to the tune of \$350,000, and a transfer of .07 mills from General Capital was used to balance that account. It's going to be worse next fiscal year as we estimate that the Refuse Fund will need approximately a .92 mill levy or .17 mill increase. This represents a projected \$775,000 shortfall in the Refuse Fund for 2010/11.

From my perspective, the salient policy question becomes "What is your vision of the City of Troy, both as a community and organization 5 years from now? And what should we do to arrive there?"

[Attachment #1](#)

Effect of Having Fund Balance at 15%

Structurally there is a problem. The City of Troy provides more services than there is revenue to cover. As the revenue decreases and the current level of service does not change, it will take more than just the use of Fund Balance to fix the problem.

If over 70% of expenditures is personal services and you use a portion of the Fund Balance to cover the personnel costs, then each year the Fund Balance is decreased to balance out the revenue shortage until the Fund Balance is depleted.

The use of Fund Balance does not solve the City of Troy's financial problems; it just delays lay-offs and cuts to City services. Realistically you would not be able to balance the revenue shortage for more than one or two years or you would deplete the entire Fund Balance.

If the policy is changed to allow Fund Balance to be used up to 15% of the General Fund, there is a total of \$2.8 million over the 5 years. Because the expenditures are increasing annually while the revenue is decreasing, the use of Fund Balance at 15% versus the current 17% will only produce a net difference of \$100,000 over the 5-year period. Please refer to the attached charts for a year-by year analysis of Fund Balance use.

**Effect of Fund Balance
at 15%**

Original Chart. (Chart A)

	2010/11	2011/12	2012/13	2013/14	2014/15	
Revenue	\$ 58.1	\$ 54.3	\$ 53.1	\$ 52.2	\$ 51.5	This is the revenue projections with NO mill increase.
Expenditures	\$ 64.3	\$ 60.3	\$ 56.3	\$ 55.1	\$ 54.2	The expenditures with the cuts .
Proposed Cuts	\$ (6.2)	\$ (6.0)	\$ (3.2)	\$ (2.9)	\$ (2.7)	This is the difference between Revenue and Expenditures.
Total	\$ 58.1	\$ 54.3	\$ 53.1	\$ 52.2	\$ 51.5	This is the Expenditures minus the Proposed Cuts.

Original Chart with use of Fund Balance up to 15% (Chart B)

	2010/11	2011/12	2012/13	2013/14	2014/15	
Revenue	\$ 58.1	\$ 54.3	\$ 53.1	\$ 52.2	\$ 51.5	This is the revenue projections with NO mill increase.
Expenditures	\$ 64.3	\$ 62.1	\$ 57.0	\$ 55.2	\$ 54.4	The expenditures with the cuts .
Proposed Cuts	\$ (6.2)	\$ (7.8)	\$ (3.9)	\$ (3.0)	\$ (2.9)	This is the difference between Revenue and Expenditures.
Fund Balance	\$ 1.8	\$ 0.6	\$ 0.1	\$ 0.2	\$ 0.1	
Expenditure Cuts	\$ (4.4)	\$ (7.2)	\$ (3.8)	\$ (2.8)	\$ (2.8)	With the use of Fund Balance, these are the cuts needed.
Total	\$ 59.9	\$ 54.9	\$ 53.2	\$ 52.4	\$ 51.6	This is the Expenditures minus the Expenditure Cuts.
Fund Balance	\$ 10.5	\$ 8.7	\$ 8.1	\$ 8.0	\$ 7.8	This shows how the Fund Balance numbers were produced.
Fund Balance Used	\$ 1.8	\$ 0.6	\$ 0.1	\$ 0.2	\$ 0.1	
Remaining Fund Bal:	\$ 8.7	\$ 8.1	\$ 8.0	\$ 7.8	\$ 7.7	
F/B % of Budget	15.0%	14.9%	15.1%	14.9%	15.0%	
Total Cuts Needed	\$ (4.4)	\$ (7.2)	\$ (3.8)	\$ (2.8)	\$ (2.8)	

Using this chart, Management will try to explain why use of Fund Balance is a one- time fix and does not address the structural problem that is facing the City of Troy.

If Council changed Fund Balance Policy to 15%, there is \$1.8 million, \$0.6 million, \$0.1 million, \$0.2 million, and \$0.1 million in 2010 through 2014.

Conclusion

After looking at the following charts, it is apparent that the use of Fund Balance does not fix the structural issue that faces the City of Troy. Using Fund Balance will delay the needed cuts but only lowers the overall cuts slightly over the 5-year period. The net difference between Chart A and Chart B is \$100,000.

Comparing 2010/11

Chart A

2010/11

Revenue	\$ 58.1
Expenditures	\$ 64.3
Proposed Cuts	\$ (6.2)
Expenditure Cuts	\$ (6.2)
Total	\$ 58.1

Chart B

2010/11

Revenue	\$ 58.1
Expenditures	\$ 64.3
Proposed Cuts	\$ (6.2)
Fund Balance	\$ 1.8
Expenditure Cuts	\$ (4.4)
Total	\$ 59.9

Chart A is the Original Chart with no use of Fund Balance.

Chart B is the Original Chart with use of Fund Balance. (15%)

As stated on the first Page, the Proposed Cuts come from the difference between Revenue and Expenditures.

- 1) In 2010/11, there is an opportunity to use \$1.8 million in Fund Balance if the Policy is changed to indicate a 15% funding level.
- 2) When using Fund Balance, the amount is added to the Revenue Stream as a onetime installment.
- 3) The amount of Expenditures Cuts needed would be reduced to \$4.4 million (in Chart B) from the original \$6.2 as indicated in Chart A.
- 4) The end result in 2010/11 is a balanced budget in both Chart A and B.
- 5) The important item to notice is the TOTAL. The totals are different because there was a removal of \$6.2 million in expenditures from Chart A and only \$4.4 million in expenditures from Chart B. This Total is multiplied by 2% plus \$1.0 million for the following years expense line.
- 6) In essence, by using Fund Balance, there is \$1.8 million worth of expenses left in Chart B that was removed via cuts in Chart A.
This will effect every year that follows. The \$1.8 in 2010 will equal more (see chart below):

2011/12	2012/13	2013/14	2014/15
\$1.8360	\$1.8727	\$1.9102	\$1.9484

This is due to the conservative 2% added for cost of living increases.

Comparing 2011/12

Chart A

	2011/12
Revenue	\$ 54.3
Expenditures	\$ 60.3
Proposed Cuts	\$ (6.0)
Expenditure Cuts	\$ (6.0)
Total	\$ 54.3

Chart B

	2011/12
Revenue	\$ 54.3
Expenditures	\$ 62.1
Proposed Cuts	\$ (7.8)
Fund Balance	\$ 0.6
Expenditure Cuts	\$ (7.2)
Total	\$ 54.9

Chart A is the Original Chart with no use of Fund Balance.

Chart B is the Original Chart with use of Fund Balance. (15%)

As stated on the first Page, the Proposed Cuts come from the difference between Revenue and Expenditures.

- 1) In 2011/12, there is an opportunity to use \$0.6 million in Fund Balance if the Policy is changed to indicate a 15% funding level.
- 2) When using Fund Balance, the amount is added to the Revenue Stream as a onetime installment.
- 3) The amount of Expenditures Cuts needed would then be \$7.2 instead of \$7.8(in Chart B).
- 4) There is a large difference in expenditure line between Chart A and Chart B. The difference is the \$1.8 million in expenses that was left in Chart B due to use of Fund Balance in 2010/11. There is also a need for \$1.8 million more in cuts in Chart B than Chart A.
- 5) Once the Expenditure Cuts are made the Totals are different. Again, it is in the exact amount as was used in Fund Balance (\$0.6).
- 6) In essence, by using Fund Balance, there is \$0.6 million worth of expenses left in Chart B. This will effect every year that follows. The \$0.6 in 2011 will equal more (see chart below):

2012/13	2013/14	2014/15
\$0.6120	\$0.6242	\$0.6367

This is due to the conservative 2% added for cost of living increases.

Comparing 2012/13

Chart A

	2012/13
Revenue	\$ 53.1
Expenditures	\$ 56.3
Proposed Cuts	\$ (3.2)
Expenditure Cuts	\$ (3.2)
Total	\$ 53.1

Chart B

	2012/13
Revenue	\$ 53.1
Expenditures	\$ 57.0
Proposed Cuts	\$ (3.9)
Fund Balance	\$ 0.1
Expenditure Cuts	\$ (3.8)
Total	\$ 53.2

Chart A is the Original Chart with no use of Fund Balance.

Chart B is the Original Chart with use of Fund Balance. (15%)

As stated on the first Page, the Proposed Cuts come from the difference between Revenue and Expenditures.

- 1) In 2012/13, there is an opportunity to use \$0.1 million in Fund Balance if the Policy is changed to indicate a 15% funding level.
- 2) When using Fund Balance, the amount is added to the Revenue Stream as a onetime installment.
- 3) The amount of Expenditures Cuts needed would then be \$3.8 instead of \$3.9(in Chart B).
- 4) The difference in expenditure line between Chart A and Chart B is \$0.6 due to the use of Fund Balance in 2011/12.
- 5) After Cuts and use of Fund Balance, an equilibrium occurs. The TOTALS in Chart A and Chart B are almost identical. The only difference is the \$0.1 due to the use of Fund Balance. This indicates that the use of Fund Balance does not fix the issue, it delays it to a later date. The need for Expenditure Cuts will catch up to the use of Fund Balance.

Comparing 2013/14

Chart A

	2013/14
Revenue	\$ 52.2
Expenditures	\$ 55.1
Proposed Cuts	\$ (2.9)
Expenditure Cuts	\$ (2.9)
Total	\$ 52.2

Chart B

	2013/14
Revenue	\$ 52.2
Expenditures	\$ 55.2
Proposed Cuts	\$ (3.0)
Fund Balance	\$ 0.2
Expenditure Cuts	\$ (2.8)
Total	\$ 52.4

Chart A is the Original Chart with no use of Fund Balance.

Chart B is the Original Chart with use of Fund Balance. (15%)

As stated on the first Page, the Proposed Cuts come from the difference between Revenue and Expenditures.

- 1) In 2012/13, there is an opportunity to use \$0.2 million in Fund Balance if the Policy is changed to indicate a 15% funding level.
- 2) When using Fund Balance, the amount is added to the Revenue Stream as a onetime installment.
- 3) The amount of Expenditures Cuts needed would then be \$2.7 instead of \$2.9(in Chart B).
- 4) Once the Expenditure Cuts are made the Totals are different. Again, it is in the exact amount as was used in Fund Balance (\$0.2).

Comparing 2014/15

Chart A

	2013/14
Revenue	\$ 51.5
Expenditures	\$ 54.2
Proposed Cuts	\$ (2.7)
Expenditure Cuts	\$ (2.7)
Total	\$ 51.5

Chart B

	2013/14
Revenue	\$ 51.5
Expenditures	\$ 54.4
Proposed Cuts	\$ (2.9)
Fund Balance	\$ 0.1
Expenditure Cuts	\$ (2.8)
Total	\$ 51.6

Chart A is the Original Chart with no use of Fund Balance.

Chart B is the Original Chart with use of Fund Balance. (15%)

As stated on the first Page, the Proposed Cuts come from the difference between Revenue and Expenditures.

- 1) In 2014/15, there is an opportunity to use \$0.1 million in Fund Balance if the Policy is changed to indicate a 15% funding level.
- 2) When using Fund Balance, the amount is added to the Revenue Stream as a onetime installment.
- 3) The amount of Expenditures Cuts needed would then be \$2.8 instead of \$2.9(in Chart B).
- 4) Once the Expenditure Cuts are made the Totals are different. Again, it is in the exact amount as was used in Fund Balance (\$0.1).

City of Troy - Assessing Department
Comparison of 2009 and 2010 TOTAL Average Residential Tax Bills
With No Millage Rate Change, with a 1 Mill Increase, and with a 1.9 Mill Increase

[Attachment #2](#)

(* all calculations made based on Principal Residence Exemptions in place, and Troy School District levies)

<u>2009</u> Average Residential Taxable Value	<u>2010</u> Estimated Average Residential Taxable Value	<u>2009</u> Average Residential Taxes	<u>2010</u> Average Residential Taxes (no millage change)	Difference 2010 - 2009 (no millage change)	<u>2010</u> Average Residential Taxes (with 1.0 mill new City levy)	Difference 2010 - 2009 (with 1 Mill City Levy)	<u>2010</u> Average Residential Taxes (with 1.9 mill new City levy)	Difference 2010 - 2009 (with 1.9 Mill City Levy)
\$120,014	\$103,000							

Millages								
CITY	9.2800	1,113.73	955.84	(157.89)	1,058.84	(54.89)	1,151.54	37.81
OCPTA	0.5900	70.81	60.77	(10.04)	60.77	(10.04)	60.77	(10.04)
County	4.6461	557.60	478.55	(79.05)	478.55	(79.05)	478.55	(79.05)
OCZA	0.1000	12.00	10.30	(1.70)	10.30	(1.70)	10.30	(1.70)
ISD	3.3690	404.33	347.01	(57.32)	347.01	(57.32)	347.01	(57.32)
Comm Coll	1.5844	190.15	163.19	(26.96)	163.19	(26.96)	163.19	(26.96)
State Ed	6.0000	720.08	618.00	(102.08)	618.00	(102.08)	618.00	(102.08)
Sch Debt	4.1000	492.06	422.30	(69.76)	422.30	(69.76)	422.30	(69.76)
Sch Supp	4.6229	554.81	476.16	(78.65)	476.16	(78.65)	476.16	(78.65)
Admin	0.2500	30.00	25.75	(4.25)	25.75	(4.25)	25.75	(4.25)
Total	34.5424	4,145.57	3,557.87	(587.70)	3,660.87	(484.70)	3,753.57	(392.00)

Attachment #3

Option #1 from Oct. 05, 2009

Department	2010/11	Savings	2011/12	Savings	2012/13	Savings	2013/14	Savings	2014/15	Savings
City Manager										
City Attorney	1	\$130,000								
City Clerk			4	\$147,000						
Community Affairs	6	\$240,000								
Human Resources			3	\$95,000						
Building Inspection	17	\$959,400								
Engineering	15	\$375,200								
Accting/ Risk Man	2.5	\$176,000								
Assessing	5	\$365,000								
Purchasing			2	\$168,000						
Treasury	0.5	\$30,000								
Library	39	\$1,000,000	69	\$2,663,000						
Museum	10	\$315,000	1	\$110,000						
RE&D	2	\$184,000								
P&R	17	\$1,654,719	12	\$1,550,000						
Nature Center	7	\$270,000	1	\$92,000						
Police		\$160,000	4	\$290,000	29	\$3,173,000	14	\$1,687,000		
DPW	2.5	\$155,000	10	\$320,000			31	\$939,000		
City Donations		\$200,000								
Longevity				\$540,000						
Fire				\$34,000	1	\$72,000	3	\$274,000		
4 Day Work Week									0	\$2,700,000
TOTALS	124.5	\$6,214,319	106	\$6,009,000	30	\$3,245,000	48	\$2,900,000	0	\$2,700,000
Full Time	60.5		39		29		31	Total Layoffs:		159.5
Part Time	64		67		1		17			149
Revenue		\$ 58.1		\$ 54.3		\$ 53.1		\$ 52.2		\$ 51.5
Expenditures		\$ 64.3		\$ 60.3		\$ 56.3		\$ 55.1		\$ 54.2
Proposed Cuts		\$ (6.2)		\$ (6.0)		\$ (3.2)		\$ (2.9)		\$ (2.7)
Total		\$ 58.1		\$ 54.3		\$ 53.1		\$ 52.2		\$ 51.5
Fund Balance		\$ 10.5		\$ 10.5		\$ 10.5		\$ 10.5		\$ 10.5
F/B % of Budget		18.1%		19.3%		19.8%		20.1%		20.4%

[Attachment #4](#)

Option #1-a - Fund Balance at 15%

Department	2010/11	Savings	2011/12	Savings	2012/13	Savings	2013/14	Savings	2014/15	Savings
City Manager										
City Attorney	1	\$130,000								
City Clerk			4	\$147,000						
Community Affairs	6	\$240,000								
Human Resources			3	\$95,000						
Building Inspection	17	\$959,400								
Engineering	15	\$375,200								
Accting/ Risk Man			2.5	\$176,000						
Assessing	5	\$365,000								
Purchasing			2	\$168,000						
Treasury			0.5	\$30,000						
Library			108	\$3,663,000						
Museum			11	\$425,000						
RE&D	2	\$184,000								
P&R	17	\$1,654,719	12	\$1,550,000						
Nature Center			8	\$362,000						
Police		\$160,000			32	\$3,463,000	14	\$1,687,000		
DPW	2.5	\$155,000			10	\$320,000	31	\$939,000		
City Donations		\$200,000								
Longevity				\$540,000						
Fire				\$34,000	1	\$72,000	3	\$274,000		
4 Day Work Week									0	\$2,700,000
TOTALS	65.5	\$4,423,319	151	\$7,190,000	43	\$3,855,000	48	\$2,900,000	0	\$2,700,000
Revenue+ Fund Balance		\$ 59.9		\$ 54.9		\$ 53.2		\$ 52.4		\$ 51.6
Expenditures		\$ 64.3		\$ 62.1		\$ 57.0		\$ 55.3		\$ 54.4
Expenditure Cuts		\$ (4.4)		\$ (7.2)		\$ (3.8)		\$ (2.9)		\$ (2.8)
Total		\$ 59.9		\$ 54.9		\$ 53.2		\$ 52.4		\$ 51.6
Remaining Fund Balance		\$ 8.7		\$ 8.1		\$ 8.0		\$ 7.8		\$ 7.7
F/B % of Budget		15.0%		14.9%		15.1%		14.9%		15.0%



CITY COUNCIL REPORT

October 14, 2009

TO: The Honorable Mayor and City Council Members

FROM: John Szerlag, City Manager
Mark F. Miller, Acting Assistant City Manager/Economic Development Services

SUBJECT: Update on Troy/Birmingham Transit Center

Council Member Mary Kerwin requested an update of the Troy/Birmingham Transit Center. Below is a summary of the most current activities on the project.

Wendel/Duchscherer Architects & Engineers submitted the 30% completion documents of the Transit Center in July of 2009.

Hubbel, Roth & Clark, Inc. (HRC) has taken over engineering and architecture design of the project. This process will bring the project from 30% design to site plan approval and eventually to bidding and construction. The Cities of Troy and Birmingham have entered into an interlocal government agreement to share in the costs of the HRC.

Carlisle/Wortman Associates, Inc. (CWA) are assisting HRC in the arena of landscape architecture and urban design.

HRC and CWA met with the Birmingham Planning Board and Troy Planning Commission at a joint meeting on September 26, 2009 to continue in the design of the project.

The City of Birmingham continues to work on negotiating purchase agreements from land owners. The land is located on the Birmingham side and is needed for access to the proposed access drives and the tunnel.

City of Troy staff spearheaded a TIGER Discretionary Grant Application submittal for \$7 million.

The City of Birmingham is spearheading a state based EECBG Grant Application for LED lighting and other energy related components of the project.

HRC is getting near completion of the preliminary site plan application package. City Council will have the approval authority after a Planning Commission recommendation.

A funding update from Clark Hill, PLC is attached for your information.

Attachment

MFM/mr\AGENDA\2009\10.19.09 – Update on the Troy/Birmingham Transit Center