

**Mary F Redden**

---

**From:** Mary F Redden  
**Sent:** Monday, December 07, 2009 4:23 PM  
**To:** 000schilling@ameritech.net; Dane Slater (djlkslater@aol.com); Mary Kerwin (marykerwin5@hotmail.com); Maureen M. McGinnis (mmcginis@dmcginis.com); mfhowryl@umich.edu; rbeltram@wideopenwest.com; wade.fleming@proforma.com  
**Cc:** John M Lamerato; Mark F Miller; Lori G Bluhm  
**Subject:** Response to Council Questions on Tonight's Agenda

Good afternoon.

Below are staff's responses to the questions we received from Council members on tonight's agenda.

**H-7 February 23, 2010 Special Election Millage Question Brochure**  
**[Questions from Mayor Schilling and Council Members McGinnis and Beltramini]**

City Manager John Szerlag addresses these questions below.

Mayor Schilling asked to clarify that the average City of Troy residential tax bill be expressed as the "City portion of a City of Troy residential tax bill", in addition, to specify the average home value. The average market value of a home in Troy is \$206,000 and the informational brochure has been revised to indicate this (updated version attached).



2010.02.23  
nformational Broch..

Council Member McGinnis suggested that the term "maintaining high levels of service" in the Police Department, Fire Department, and Public Works Department be supplanted with the term "maintain full service levels" in those departments. I have accommodated this request in the updated brochure.

Additionally, Council Member McGinnis asked for verification that many residents and businesses look for the services we provide. In response, please know that our assertion of this is based on customer satisfaction surveys, usage of our facilities, and historical feedback from developers on the basic amenities they look for when building homes and businesses.

Council Member Beltramini's request to remove the word "millage" was accommodated. I am attaching Council Member Beltramini's email so that Council can discuss her comments relating to the information we did not include in the brochure due to space constraints, and I will have all the information she speaks of placed on the City's web page and included in the next issue of the Troy Today newsletter.



Robin's  
Questions.pdf

Council Member McGinnis also asked about the cost of printing and mailing the informational brochure. City Clerk Tonni Bartholomew provided the following information:

The cost of the informational brochure for the February 23, 2010 special election will come out of the City Clerk's Office accounts for elections printing (#101.215.262.7901) and postage (#101.215.262.7730).

City Council approved a blanket account at Printing Systems, Inc. for election related printing. Therefore, the approximate cost of the brochure was not sent out for a formal quote. However, the cost quoted from Printing Systems, Inc. is \$2,845.00 . The cost of postage is estimated to be very similar to the cost associated with mailing the informational brochure for the November Charter Amendment, which was \$9,425.85 .

**M-8 Submittal of the 2009 Comprehensive Annual Financial Report (CAFR)**  
**[Question from Council Member Beltramini]**

My singular moment of true distress in reading the report occurred as I read the last paragraph on page 51. In Note 8, the end of the debt summary for "Component Units," the final sentence reads, "The City has pledged its full faith and credit for the debts if revenues are insufficient to meet the obligations, of all general obligation bonds." Since it says clearly "general obligation bonds" and the DDA and golf fund bonds are not reported as GO bonds, I believe the sentence means that the City is responsible for its own GO bonds and there is no legal obligation for the non-GO debt of component units. If this is not the case, please clarify. I also understand that there may be no legal obligation, but certainly could be a moral one that could impact the City's ability to sell our own bonds at some later date.

Assistant City Manager John Lamerato indicates that: The City is responsible for our general limited and unlimited bonds which would include the golf course. The Troy Downtown Development Authority bonds are DDA revenue bonds and the City is not responsible for the repayment of those. However, you [Council Member Beltramini] are right that it would tarnish the City's reputation and financial standing. I'm hoping that as we move forward we will take steps to ensure that the DDA does not default on these bonds. Our options may be limited, but one idea is to extend the ending date. As far as the Aquatic Center and Sylvan Glen Golf Course statements; they are listed in the enterprise fund section since they do not meet the definition of a major fund which are located up front in the CAFR.

Have a good meeting.

Regards,

Mary Redden  
Administrative Assistant to the City Manager

**Vote**

City of Troy  
500 W Big Beaver  
Troy, MI 48084-5285

**February 23, 2010 Election  
Informational Brochure  
For the Registered Voters at:**

NONPROFIT  
ORGANIZATION  
U.S. POSTAGE  
**PAID**  
TROY, MI  
PERMIT NO. 19



**CITY OF TROY GENERAL ELECTION DATES:**

**Election Day: Tuesday, February 23, 2010**

Polls are open from 7:00 AM until 8:00 PM

**Last day to Register to Vote: Monday, January 25, 2010**

**The City Clerk's Office will be open:**

**Saturday, February 20, 2010—10:00 AM until 2:00 PM  
for ABSENTEE BALLOTING**

**CITY OF TROY GENERAL OPERATING MILLAGE PROPOSAL**

**THE CITY COUNCIL WOULD BE AUTHORIZED TO LEVY UP TO 1.9 MILLS WITH THE SUCCESSFUL PASSAGE OF THE FOLLOWING QUESTION:**

Shall the City of Troy levy new additional millage of up to 1.9 mills against all taxable property for a five-year period of time, 2010 through 2014, for general operating purposes, including public safety and quality of life purposes? 1.9 mills are equal to \$1.90 on each \$1,000.00 of taxable value. If approved, the additional millage levied will raise approximately \$9,129,000.00 the first year it is levied.

YES \_\_\_ NO \_\_\_

**NOTE:**

If you are unsure of your precinct location, need an Absentee Ballot or have any other questions, please contact the Troy City Clerk's Office at: (248) 524-3316 or [elections@troymi.gov](mailto:elections@troymi.gov)

## FREQUENTLY ASKED QUESTIONS

### Why is there a Special Election?

- ◆ The City of Troy is facing significant decline in its revenue stream every year for the next several years, primarily due to market conditions lowering property assessments and State Shared Revenue cuts.
- ◆ The 2008 City Charter amendment to Section 9.16.5 removed City Council's ability to increase the millage rate within the Charter allowable maximum rate without an affirmative vote of the Troy electors.
- ◆ The City Budget adoption process has timing restrictions that adversely impact the placement of the millage question on an August Primary or November General Election ballot.

### How long will my tax bill have the increased millage rate if the proposal is passed?

- ◆ The City Council will only be authorized to levy the additional millage of up to 1.9 mills for five years.

### Does the City Council have to levy the full 1.9 mills for all five years?

- ◆ No, the City Council will determine the amount of the 1.9 mills needed to levy each year during the budget approval process.

### What efforts have been put in place to lessen the impact of the reduced revenue stream?

- ◆ The City of Troy reduced staff by 11.5% over the last 6 years.
- ◆ The City of Troy changed the retiree healthcare and benefit plans to allow for long-term savings to the City.
- ◆ The City of Troy and employee groups are pursuing options to reduce costs.
- ◆ The City of Troy continues to pursue outsourcing to reduce costs.

### How will the proposed 1.9 millage rate affect the average city portion of a City of Troy residential tax bill? (Average based on the market value of a \$206,000 home)

- ◆ The average City of Troy tax bill in 2009 was \$1,114.
- ◆ The average City of Troy tax bill in 2010 will be \$996 without the proposed millage; a decrease of \$158 from the prior year.
- ◆ The average City of Troy tax bill in 2010 will be \$1,152 with the proposed millage; an increase of \$38 from the prior year.

### Where can I find additional information on the City of Troy Special Millage Election or 6-Year Organization Restructuring Plan?

- ◆ City of Troy Web Page: [www.troymi.gov/2010proposal](http://www.troymi.gov/2010proposal)
- ◆ Troy Today Quarterly Newsletter
- ◆ WTRY Troy Cable TV – WOW/channel 10 or Comcast/channel 53
- ◆ Archived City Council Meetings at <http://www.troymi.gov/Council/Meetings/Archive.aspx>

## CITY OF TROY GENERAL OPERATING MILLAGE PROPOSAL

### THE CITY COUNCIL WOULD BE AUTHORIZED TO LEVY UP TO 1.9 MILLS WITH THE SUCCESSFUL PASSAGE OF THE FOLLOWING QUESTION:

Shall the City of Troy levy new additional millage of up to 1.9 mills against all taxable property for a five-year period of time, 2010 through 2014, for general operating purposes, including public safety and quality of life purposes? 1.9 mills are equal to \$1.90 on each \$1,000.00 of taxable value. If approved, the additional millage levied will raise approximately \$9,129,000.00 the first year it is levied.

YES \_\_\_ NO \_\_\_

#### A YES vote means:

- City Council could levy up to 1.9 mills to retain public safety services, such as police, fire and public works, and quality of life services, such as the library, community center, museum and nature center.
- Maintain **full service levels** in the Police Department.
- Maintain **full service levels** in the Fire Department.
- Maintain **full service levels** in the Public Works Department including 24-hour snow removal.
- Maintain activities at the Troy Public Library.
- Maintain activities at the Troy Museum.
- Maintain activities at the Lloyd A. Stage Nature Center.
- Maintain activities at the Troy Community Center.
- Maintain services many residents and businesses look for in a city.

#### A NO vote means:

- Many city services will be eliminated or downsized to meet the declining revenue stream.
- Lay-off Troy Police Department personnel and decrease police services.
- Lay-off Troy Fire Department personnel and decrease fire services.
- Lay-off public works personnel and decrease some public works services including 24-hour snow removal.
- Close the Troy Public Library and lay-off all personnel.
- Close the Troy Museum and lay-off all personnel.
- Close the Lloyd A. Stage Nature Center and lay-off all personnel.
- Close the Troy Community Center and lay-off all personnel.
- Reduce City services.

**From:** [Robin Beltrami](#)  
**To:** [John Szerlag](#); [Lori G Bluhm](#); [John M Lamerato](#); [Mark F Miller](#)  
**Subject:** H-07--Special Millage brochure  
**Date:** Monday, December 07, 2009 11:58:49 AM

---

Good Morning,

I have studied and cogitated over this brochure. Although I realize there has been a considerable amount of effort, balancing, and wordsmithing that has gone into this, I am not happy with the draft.

First, the first FAQ seems to connote that this would be a dedicated millage. (I believe that is the impression when most people see "special" followed by "millage.") I don't know how to fix that other than to remove the word "millage".

Additionally, this first FAQ or some separate question needs to explain how/why the quality of life services and the public safety services are inextricably linked for purposes of this election. The brochure does not *explain* the relationship, yet all the "Yes" and "No" bullets expose them in an all or nothing manner. This is such a critical piece of information that I do not believe it is easy for anyone to offer an educated opinion without the understanding of this singular question and answer. Some will believe it is perfectly fine to link them, others won't believe there is any basis for it, but, the fact is that in the mind of the City Manager and this City Council they are linked. That is a *fact* that needs explanation.

Second, in listing the actions already taken by the City to lessen the impact of reduced revenues, there are other items to be listed. While I know that this cannot be an exhaustive list, it is important, if you are using snow plowing as an example in both the "Yes" and "No" columns that we report that we have had a cost-saving road de-icing delivery system in place for over nine years. Also, like many homeowners we have been using fund balance (savings) and/or payments from the BSF—and a dollar &/or time amount here would be good to use—to lessen impacts. (I think that it has been part of the proposed budget for about 7 years, but not always used, but over \$3 million has been used.) Then, too, we are charging for many activities and access that used to be free to residents.

I think that it is imperative to spell out how and why we feel the need to collect \$9.129 million the first year to cover what has been widely advertised as a \$6.2 million gap in the budget. I know what I believe to be the reasons, but it is critical for the average taxpayer to understand this issue. That is truly a FAQ.

I would think about putting the answers to the FAQ re affect of millage increase on City of Troy residential tax bill in the "Yes" and "No" columns. It would be cleaner. Tax bill goes up \$38 or down \$158 next year.

It looks like the first bullet in both the "Yes" and "No" columns summarize the actions. The rest could be seen as inflammatory or overkill, no matter how detailed and accurate. Suggested adjustments, if we still want to enumerate:

“Yes” column—

- Maintain high level of service in the Fire Department, including inspection services.
- Maintain at least 55 hours per week of service at the Troy Public Library. (My comment is that this shows a willingness to continue to cutback if values plummet further than anticipated and takes the word “activities” out of the message since many of the activities are provided through the FTPL.)
- Maintain historical and educational activities at the Troy Museum.
- Maintain access to the Lloyd A. Stage Nature Center.
- Maintain community access and activities at the Troy Community Center. (My thought is that it is the “free” offerings and subsidized programming that is the cost of the Community Center to the GF—those free rooms for community groups, the openness of the center for individuals and groups, the teen and senior facilities, etc.)

No” column—

- City services will be eliminated or downsized to meet the declining revenue stream. (*All*, not many, city services will be reduced or eliminated over the next five years to meet the almost 19% projected revenue decline, which could be much greater and has very little chance of being any less.)
- A bullet must be added addressing the building maintenance, until the structures can be reopened or sold, for Community Center, Nature Center, Museum buildings, and the Library and collection since no revenue will be collected from patronage or programming.
- Reduced communication methods between City of Troy and the community.
- Lay-off Troy Police Department personnel and decrease or eliminate services including but not limited to the Traffic Safety Unit, Juvenile Unit, Community Services Section, Criminal Intelligence Unit and Animal Control Services.

If a list of bullet points is agreed upon, I would leave alone those I haven’t edited.

I haven’t included everything I want, but I realize we are hamstrung by time, space and potential for consensus. These are the items that are important to me.

Robin