



## CITY COUNCIL ACTION REPORT

March 23, 2010

TO: The Honorable Mayor and City Council Members

FROM: John Szerlag, City Manager

SUBJECT: Request for Study Session to Further Discuss Restructuring Troy Government

I appreciate the direction you provided relative to organizational restructuring and its effect on the budget process at the March 1, 2010 City Council meeting. Succinctly, here is what we know:

- 1) A 3-year budget is going to be reviewed and approved along with a rolling 5-year outlook.
- 2) The budget document will follow Option 1 which reduces/shuts down quality of life venues before impacting public safety venues. And while no closures are scheduled for fiscal year 2010/11, we have budgeted reduced hours for the Library, Museum and Nature Center. There will also be reduced service levels in parks maintenance and recreational programming.
- 3) Employee concessions are currently in place for Classified, Exempt, AFSCME and Troy Fire Staff Officers Association (TFSA) personnel. We are also looking to reduce health care costs effective July 1, 2010 for the above groups of employees. Our goal is to achieve parity in terms of concessions with all employee groups.
- 4) We will maintain a 15% fund balance in the General Fund.
- 5) There is a need for an adjustment in the Refuse Fund millage levy from 0.75 to 0.87 mills.
- 6) Sanctuary Lake Golf Course will require a General Fund subsidy for the next 3 years, because of our debt service.
- 7) Within our 5-year forecast, the DDA will be unable to make bond payments for the Community Center and Big Beaver road widening projects.

There are some things we don't know which need to be clarified so that we don't bog down our budget deliberations. As such, I'm proposing a study session between the dates of April 15 and April 23, 2010 so as to obtain a policy direction on the following issues:

1. Capital funding
2. Quality of life venues
3. Refuse Fund

I'm working on a more detailed report which will be provided next week.