

May 11, 2005

TO: The Honorable Mayor and City Council Member

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

SUBJECT: Adoption of 2005/06 City Budget

Attached please find a resolution to formally adopt the 2005/06 budget as discussed during the April 25, 2005 and May 2, 2005 special-study meetings.

The budget resolution reflects a millage rate of 9.45, the same as the current year. The proposed budget includes adjustments made at the May 2, 2005 special-study meeting. At the direction of City Council \$53,380 will be restored to community group funding as follows:

- Troy Youth Assistance - \$9,300 (from \$27,910 to \$37,210)
- Troy Community Coalition - \$25,000 (from \$75,000 to \$100,000)
- Troy Boys/Girls Club - \$19,080 (from \$57,240 to \$76,320)

Funding will come from the General Fund Unreserved/Undesignated Fund Balance.

Please note that the final budget document will be prepared and submitted to City Council at the first meeting in July.

May 12, 2005

TO: The Honorable Mayor and City Council Members
FROM: John Szerlag, City Manager
SUBJECT: Alternative to Using General Fund Unreserved/Undesignated Fund Balance for Contributions to Community Groups

Council Member Broomfield inquired what cuts I would make to the proposed fiscal year 2005/06 General Fund budget in order to accommodate an additional \$54,000 for Troy community groups. This, of course, would be in lieu of reducing the General Fund Unreserved/Undesignated Fund Balance to make this accommodation.

Given the above, the reduction in funding for the following items can make up for the \$53,380 now going to various community groups:

Community Affairs	50 th Anniversary events	\$10,000
Library	Materials	30,000
Parks and Recreation	Summer programs	5,000
	Winter programs	5,000
	Community Center	4,000
Total		\$54,000

50th Anniversary Party Events

\$10,000 still remains in the budget and is earmarked for a summer concert, which is already in the works.

Library Materials

\$750,000 remains in the budget for items such as books, audiovisual materials and subscriptions.

Summer and Winter Programs

Substantial funding still remains in these programs, with the remaining cost off set by program fees.

Community Center

This cut will be absorbed from the entire operation of the Community Center.

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Inquiry was also made on how to handle the \$2 million identified in the fiscal year 2005/06 major roads budget for right-of-way purchases for the proposed I-75 improvement project. As you know, the resolution passed by City Council at their May 9, 2005 meeting indicates that City staff is directed to proceed with the environmental assessment for the I-75 interchange project, and after the environmental assessment is complete, begin to acquire property for the project where applicable. This means that if the environmental assessment is completed and an interchange site is selected within the next fiscal year, the \$2 million for right-of-way acquisition in the major roads budget should stay there to accommodate your earlier direction. All we could do is change the project name from "I-75/Crooks/Long Lake Interchange Improvement" to "I-75 Interchange Improvement".

As always, please feel free to contact me should you have any questions.