

A. CALL TO ORDER:

A Special Meeting of the Troy City Council was held on Thursday, April 11, 2019, at City Hall, 500 W. Big Beaver Rd. Mayor Slater called the meeting to order at 6:06 PM.

B. ROLL CALL:

- (a) Mayor Dane Slater
Edna Abraham
Mayor Pro Tem Ethan Baker
David Hamilton
Dave Henderson
Ellen Hodorek
Ed Pennington

C. DISCUSSION ITEM:**C-1 Proposed Fiscal Year 2019/20 Annual Budget and Three-Year Budget****Overview of 2019/20 Budget:**

- Capital Projects
- Enterprise Funds
- Three-Year Budget

(Budget is available for review at the City Clerk's Office, Troy Public Library and on the City's website <http://www.troymi.gov/budget/>)

Mayor Slater called the meeting to order and turned the discussion to City Manager Mark F. Miller. Mr. Miller introduced the topics for this evening and began the presentation, beginning with the newly adopted 2019-2020 Strategies.

Mr. Miller discussed highlights of the Proposed Budget for all Funds.

Mr. Tom Darling, Director of Financial Services, discussed taxable value, City taxes and budgeting in the General Fund.

Police Chief Frank Nastasi discussed the operations and proposed budget for the Police Department.

Fire Chief Dave Roberts discussed the operations and proposed budget for the Fire Department.

Mr. Kurt Bovensiep, Public Works Director, discussed the functions and proposed budget for the Public Works Department.

Mrs. Elaine Bo, Recreation Director, discussed the functions and proposed budget for the Recreation Department.

Mr. Miller discussed the Capital Projects Fund and proposed budget. Mr. Darling discussed the details of the revenues and expenditures in the Capital Projects Fund, and the major items. Mr.

Bill Huotari, City Engineer, discussed the road projects budgeted in the proposed budget. Mr. Bovensiep discussed the facilities projects proposed for 2019/20. Chief Roberts discussed equipment in the proposed budget for the Fire Department.

Mr. Darling discussed the details of the water and sewer fund, and the rates historically and in the proposed budget. Mr. Bovensiep discussed a comparison of water and sewer rates with surrounding communities, and the high quality of Troy's water.

Council Member Hamilton asked if the 2021/22 General Fund decrease includes contributing to the Library in case there is not a millage renewal. Mr. Darling answered that the 2021/22 numbers for the General Fund include a millage, but that is only for demonstrative purposes since there will be a millage question in 2021.

Mayor Slater said that with every budget, City Council struggles with being fiscally responsible while losing money every year because eventually it will catch up with us. He said that Council will need to recognize that some hard decisions will need to be made. He said that the three-year outlook that includes the Library is misleading because the millage may or may not be renewed, which would impact the entire Budget and not just the Capital Fund or just the General Fund. Mr. Darling said that the 2021/22 Budget includes the Library millage and funding as an ongoing concern.

Council Member Hodorek commented that the plan to cut back on City road projects during the I-75 construction project makes sense, but there will be questions about the lack of local road projects. Mr. Huotari said that since there are certain areas that will not be affected by the I-75 project, it's a good time to focus on those projects until I-75 is done. He said that the team in Engineering and Public Works examines the roads to determine which roads would still be in good condition next year in order to determine which roads can be done in a future year. He said that even with the reduced number of projects during the I-75 project, there are still roads that will be worked on by the City, but they are carefully chosen so they aren't too close to I-75 traffic.

Council Member Henderson said that it's nice to be able to shift projects to accommodate the I-75 project to make it easier for drivers in Troy. Mr. Huotari said that it was a challenge to juggle projects around I-75, but it's worth it to have a 2-year project instead of a 10-year project for I-75.

Council Member Pennington commented that he is amazed every year with the outside funding that Mr. Huotari and the Engineering Department comes up with for road projects. Mr. Huotari said that Mr. Bovensiep and the Public Works team are a huge asset for projects since they are fast and cost-effective, which makes obtaining matching funding easier. Council Member Pennington asked if there is a grading system for contractors in the even a road fails prematurely. Mr. Huotari said that contractors go through a qualifying process and there will be a warranty requirement from contractors in the future.

Mayor Slater commented on talk at the State level to increase the gas tax to improve the roads and that the revenue will not trickle down to the local municipalities. Mr. Huotari commented that the State has a lot of debt that will be paid with any new gas tax revenue, with somewhere around 70% will go to the State from the gas tax increase.

Council Member Hodorek asked if the new Jaws of Life tool will be lighter. Chief Roberts said that they will be significantly lighter than the hydraulic tools used currently. Council Member Pennington asked if the new Opticom will be a big improvement. Chief Roberts said that the new Opticom has significant improvements in traffic flow technology.

Council Member Abraham thanked Mr. Miller and City Administration for their work on this budget, that it's comprehensive and clear. She said that the State elected representatives could be included in conversations about what Troy has experienced with tax revenue shortfalls. Mayor Slater said that this is a great idea, but it is unfortunately the Charter tax cap that is holding Troy back and creating shortfalls.

Council Member Henderson said that it is interesting that the 2018/19 taxable value is higher than the 2009/10 taxable value. He asked how much of the residential taxable values are from new construction, and do they foresee the commercial industrial market rebounding similarly to the residential taxable values. Mr. Nino Licari, City Assessor, discussed the residential, commercial and industrial taxable values. He said that because of the booming Detroit office space inventory, Troy has taken a bit of a hit on office space occupancy. He said that there is currently the start of a slow-down in the residential market due to running out of housing stock and space for new construction. He said that multi-family housing is considered commercial property, not residential, which is just single-family housing. Mr. Miller said that City Management has recognized the issue with office space, and has been working creatively with building owners to help with solutions.

Mayor Slater commented that he would like to add to the discussion topics for the next Budget Study Session if there is consensus. He said that with relation to Strategy 5 regarding convening the Charter Revision Committee, he would like to discuss items for the Committee to review. He said he has some items he would like them to look at, and he would like to discuss the topic at Monday's Budget Study Session. There was a consensus of City Council to discuss it.

Council Member Hodorek commented that she would like another review on the bond rating and the challenge that Troy faces with maintaining the bond rating.

D. PUBLIC COMMENT:

E. ADJOURNMENT:

The Meeting **ADJOURNED** at 7:51 PM.

Mayor Dane Slater

M. Aileen Dickson, MMC
City Clerk