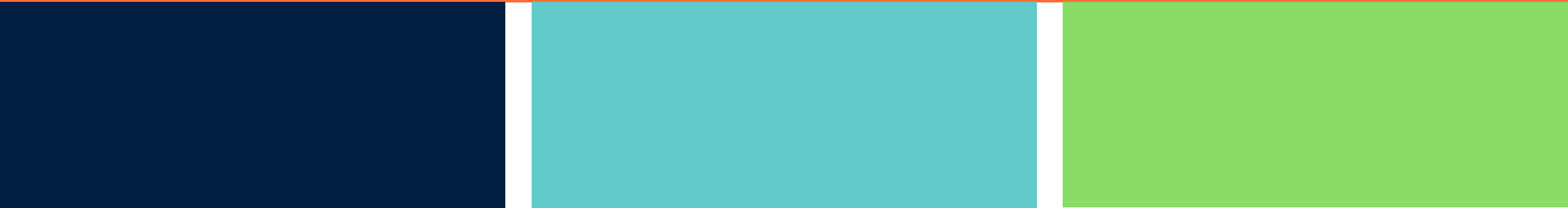


CITY OF TROY

BUDGET PRESENTATION

2025-2026 PROPOSED BUDGET



Thanks!

Controller – Kyle Vieth

City Assessor – Kelly Timm

City Clerk – Aileen Dickson

City Engineer – Scott Finlay

City Treasurer – Renee Hazen

Communications Director –
Courtney Flynn

Community Affairs Director –
Cindy Stewart

Community Development Director –
Brent Savidant

Fire Chief – Peter Hullinger

Human Resources Director –
Jeanette Menig

Information Technology Director –
Alex Bellak

Library Director – Emily Dumas

Police Chief – Josh Jones

Public Works Director – Kurt Bovensiep

Purchasing Manager – Emily Frontera

Recreation Director – Brian Goul

Agenda

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City Manager

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Robert J. Bruner
Deputy City Manager

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Robert C. Maleszyk
Chief Financial Officer

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Special Revenue Funds

Robert C. Maleszyk
Chief Financial Officer

Debt Service &
Capital Funds

Kyle A. Vieth
Controller

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Enterprise Funds

Kyle A. Vieth, Controller
Kurt Bovensiep, Public Works Director

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Kyle A. Vieth
Controller

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Q&A

Frank A. Nastasi
City Manager

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BUDGET IN BRIEF

2025-2026 PROPOSED BUDGET

FRANK A. NASTASI | CITY MANAGER

Budget in Brief: Challenges, Priorities and Strategies

Budget Priorities

- **Preserve public health, safety, and welfare:** The city has budgeted 58.6% of General Fund expenditures and transfers for public safety. The City continues to strongly invest in capital needs for public safety of over \$3 million including a new roof at the Police station (\$1.8 million).
- **Focus on core facilities and infrastructure, including Major and Local streets:** The City has budgeted over \$20.2 million in this current budget, including over \$11.8 million to improve and enhance the Major and Local streets.
- **Provide world class quality of life amenities:** The City is planning the first full year of the Stine Community Park Pavilion & Ice Rink Amenity in fiscal 2026. Additional staffing and equipment is budgeted to accommodate the services to be provided to the residents.

Budget in Brief: By the Numbers

Total revenues (before transfers in) increased 4.5% from \$172.6 to \$180.3 million

Total tax revenues increase 4.5% from \$64.9 to \$67.8 million

- Primarily due to a taxable value increase

Grants, including State Shared Revenue, increased 3.8% from \$25.9 to \$26.9 million

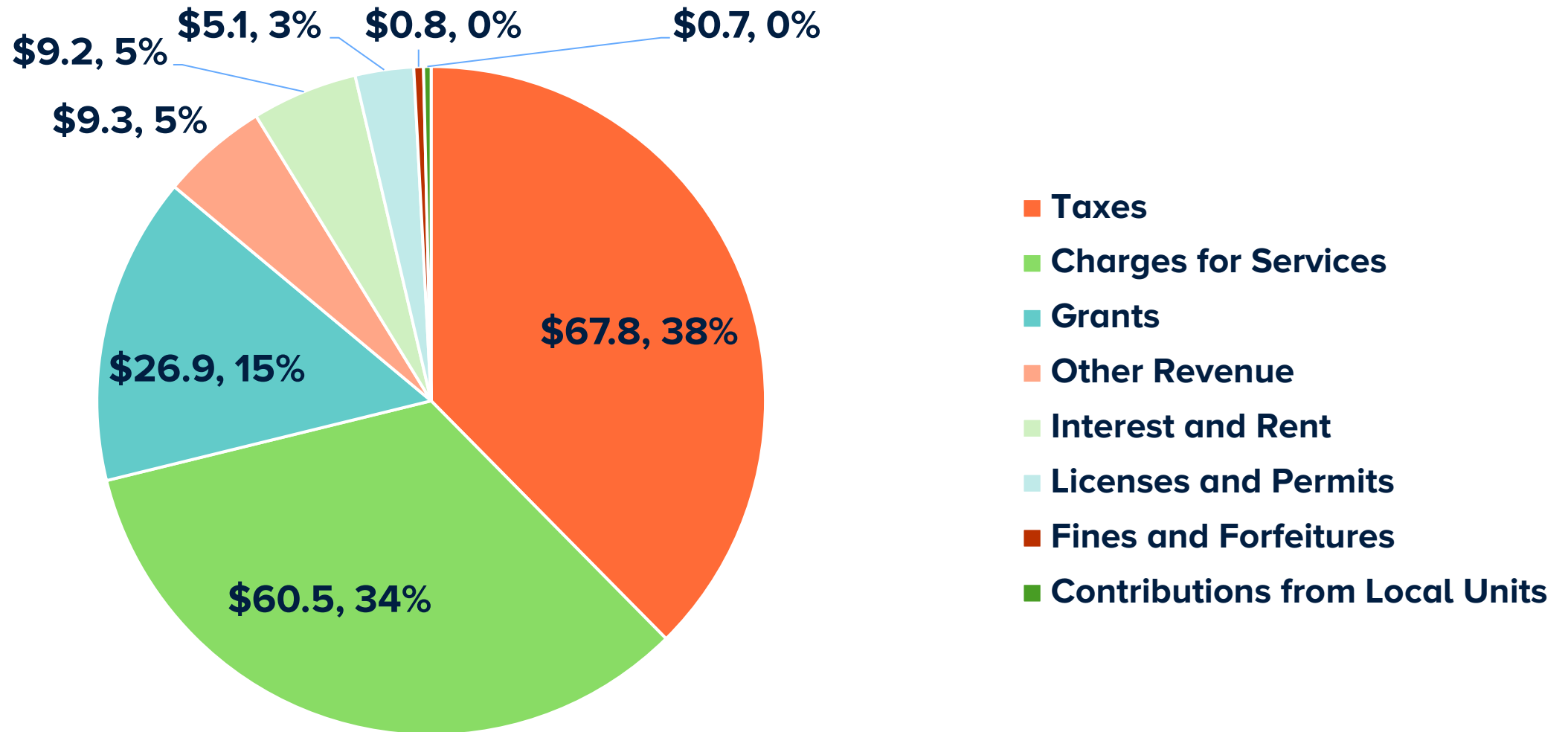
- Primarily due to one-time federal funding

Charges for services increase 3.9% from \$58.2 to \$60.5 million

- Primarily due to water and sanitary sewer sales, based on a typical season of approximately 424.1 thousand mcf in sales volume and increasing recreational service charges

Budget in Brief:

Revenues, All Funds (millions)



Budget in Brief: By The Numbers

Total expenditures (before transfers out) decreased 10.3% from \$213.1 to \$191.2 million

Personal services increased 6.1% from \$71.1.0 to \$75.4 million

- Primarily due to cost of living adjustments and increases in FTEs.

Other Service Charges increased 2.3% from \$71.3 to \$72.9 million

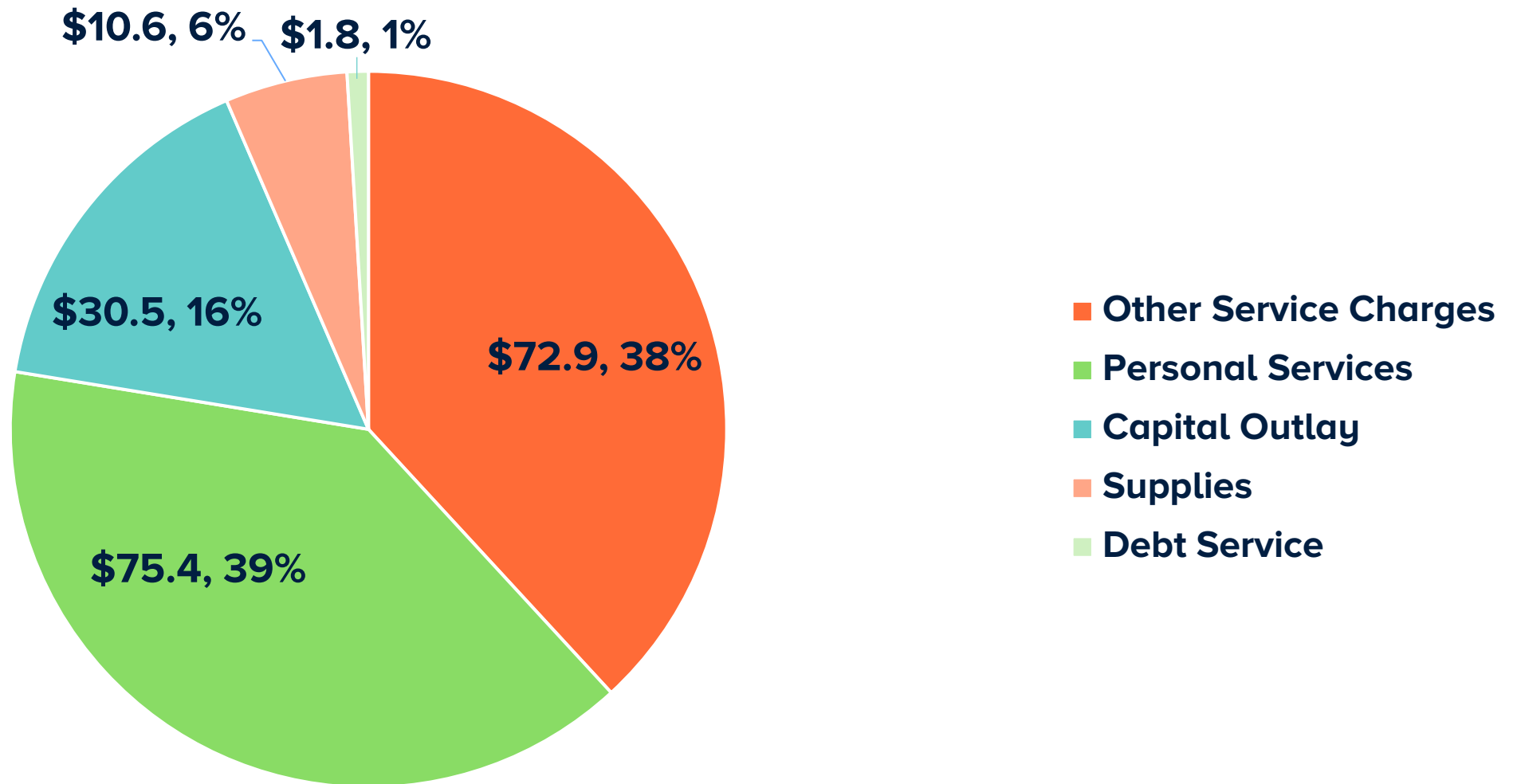
- Primarily due to Water and Sewer purchases, Water and Sewage disposal fees, and increased contractual and professional services costs.

Capital Outlay decreased 48.6% from \$59.3 to \$30.5 million

- Primarily due to decreased budgeted capital expenditures due to federal grant funding received in the prior budget and fewer Water and Sewer projects in this budget.

Budget in Brief:

Expenditures, All Funds (millions)

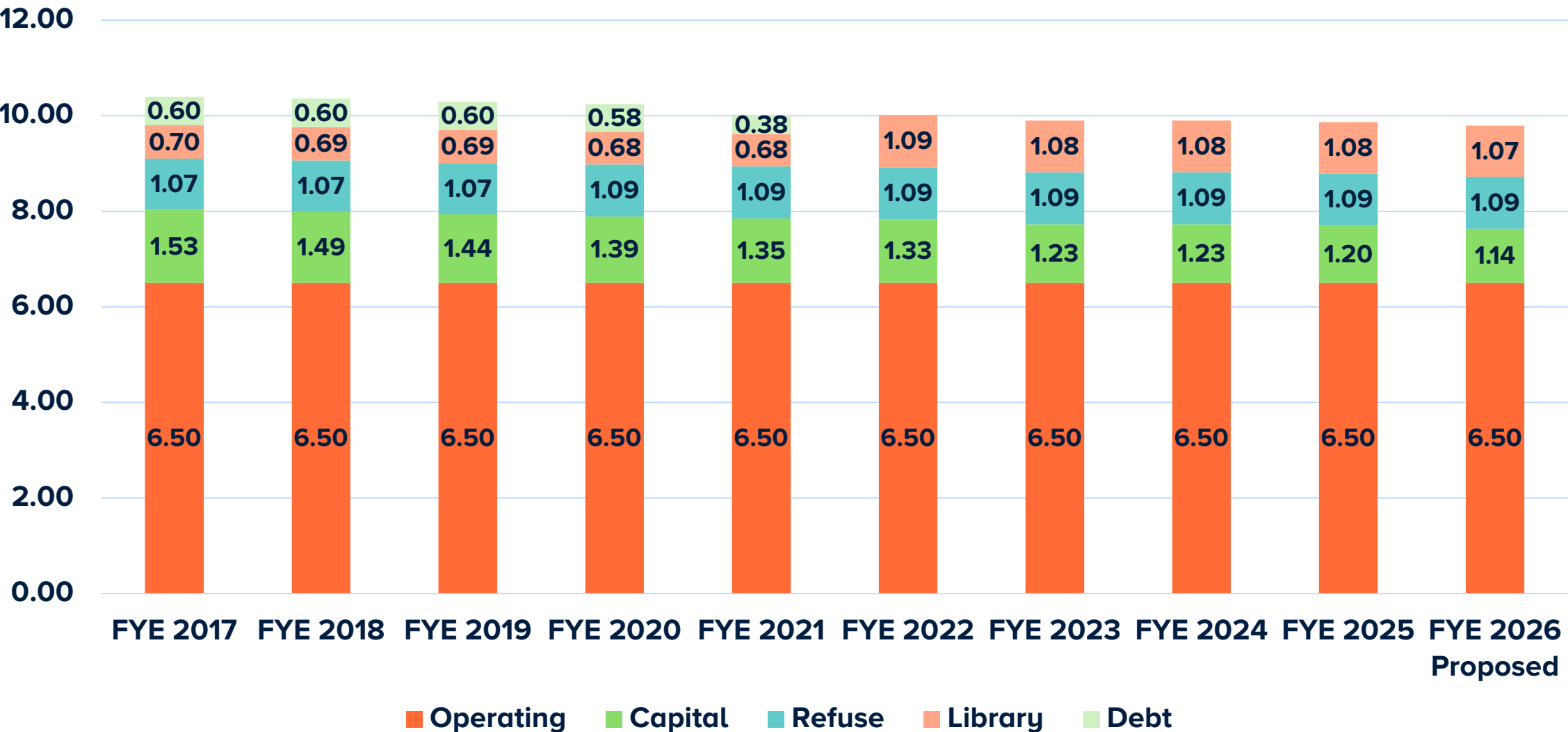


TRENDS AND SUMMARIES

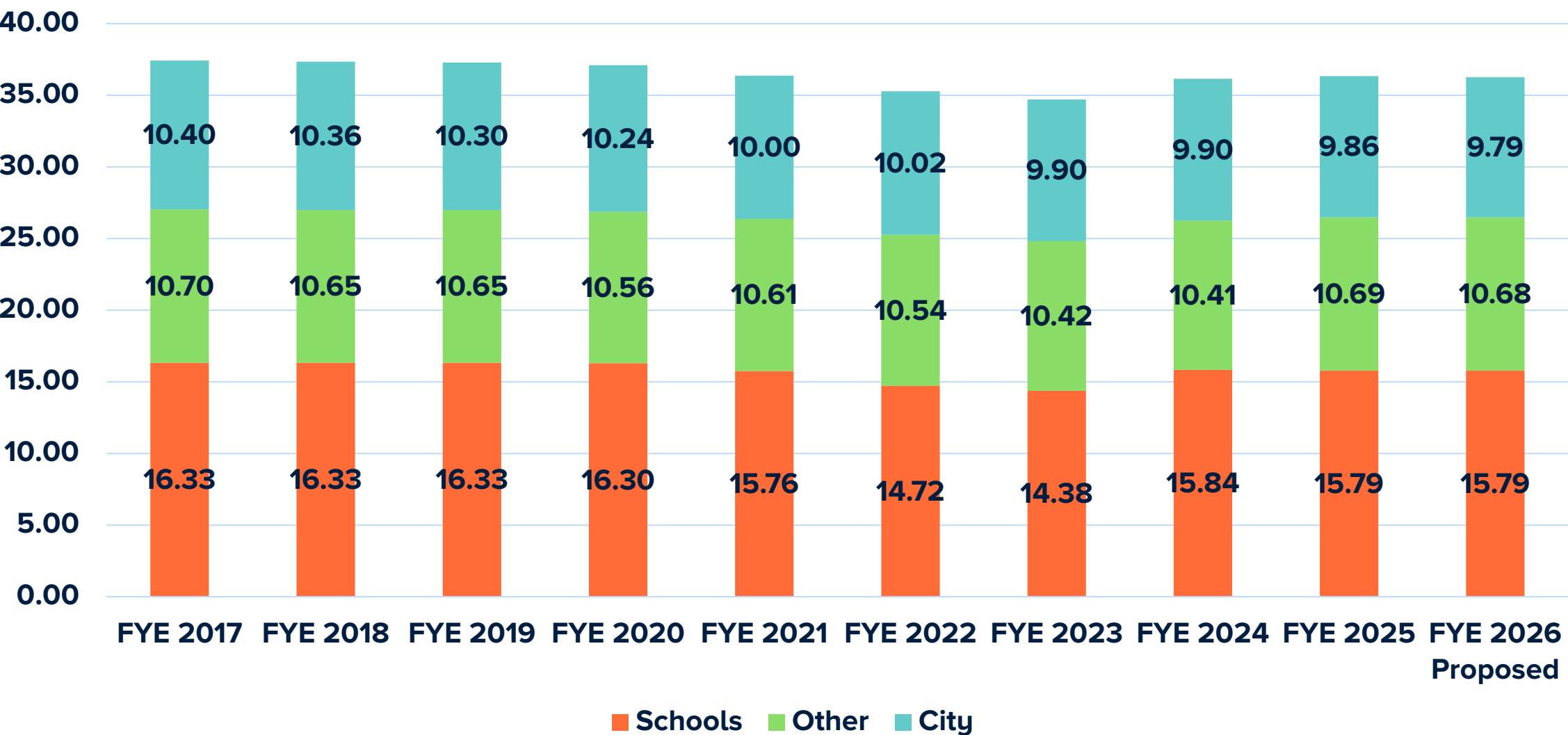
2025-2026 PROPOSED BUDGET

ROBERT J. BRUNER | DEPUTY CITY MANAGER

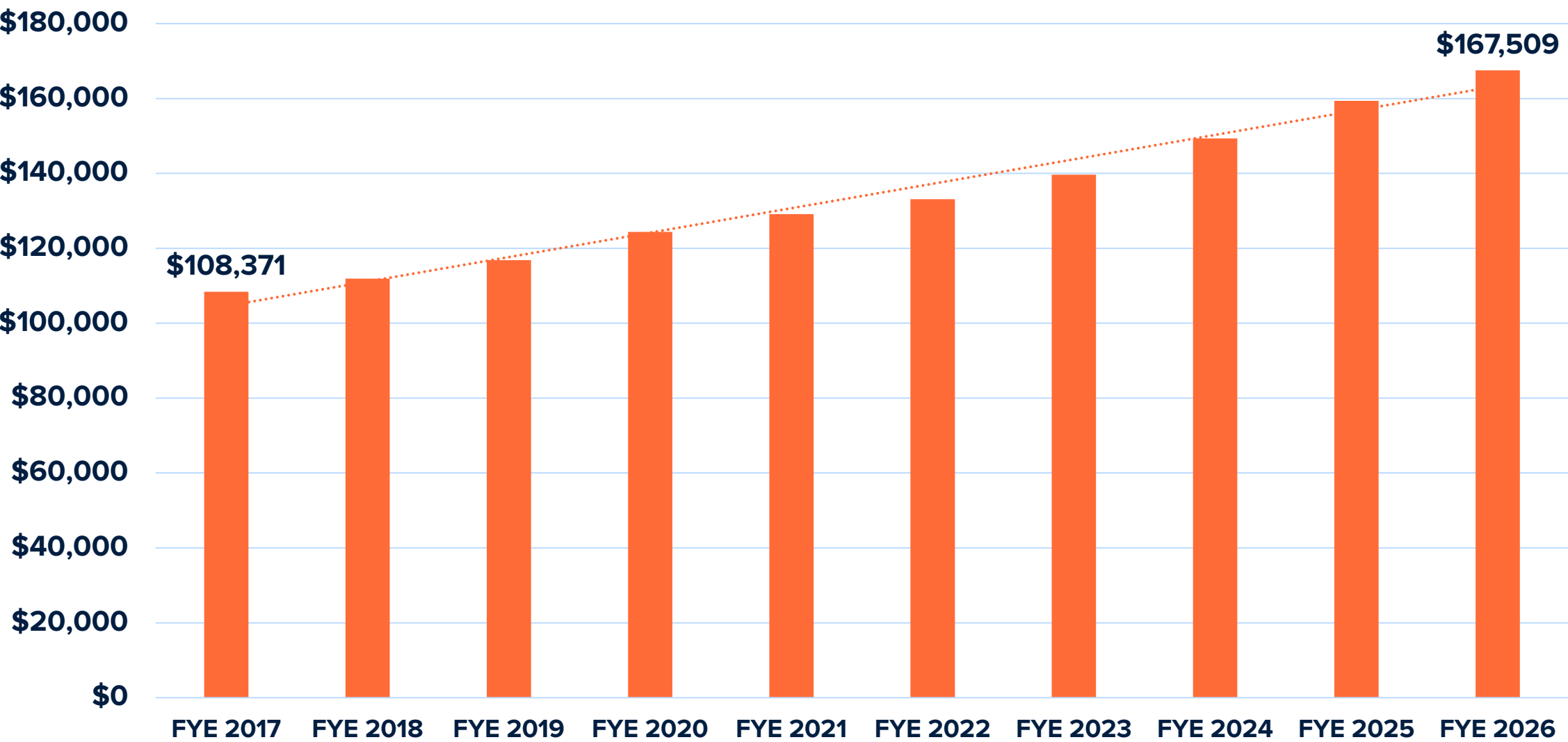
Trends and Summaries: Troy City Tax Rates



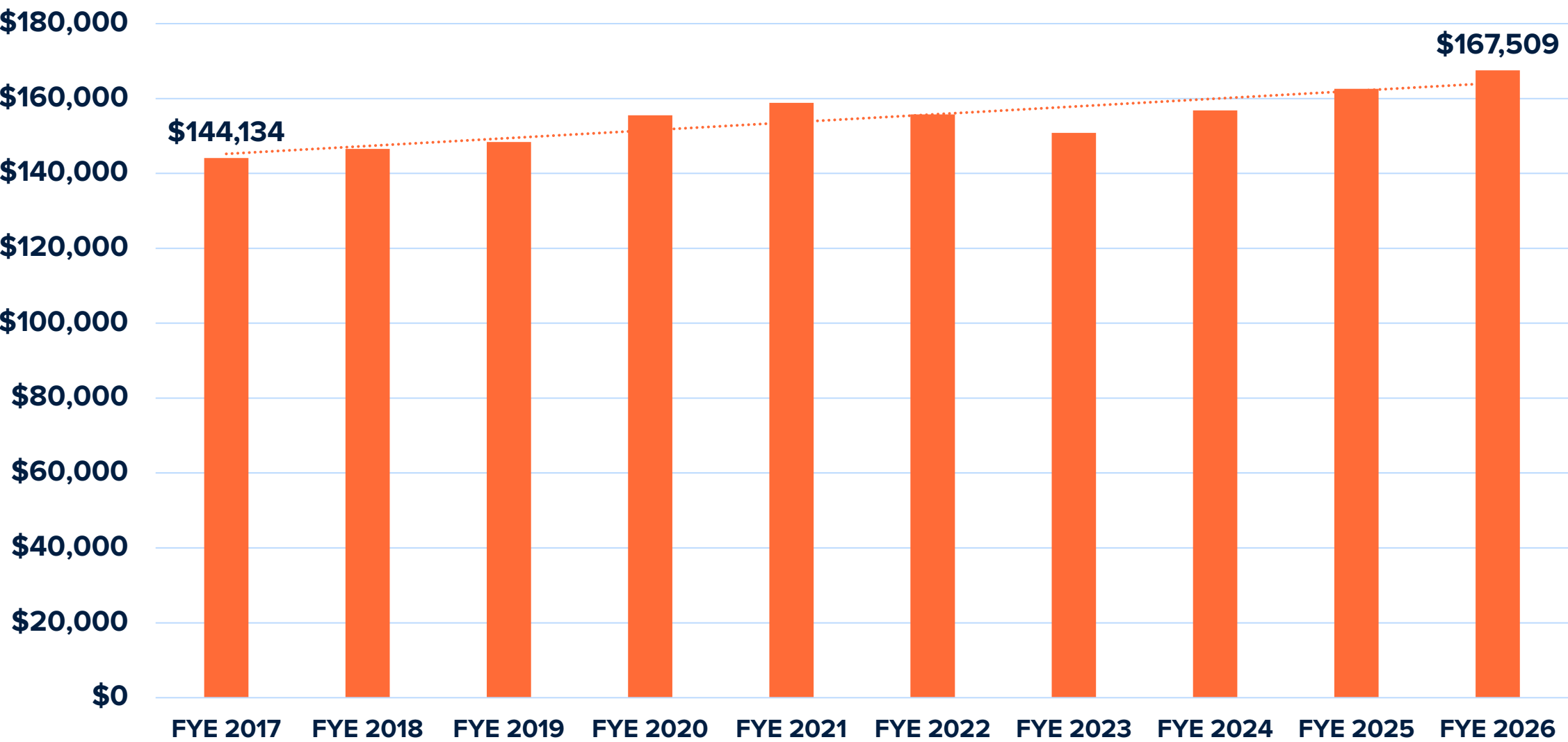
Trends and Summaries: Troy Schools, Other, and City Tax Rates



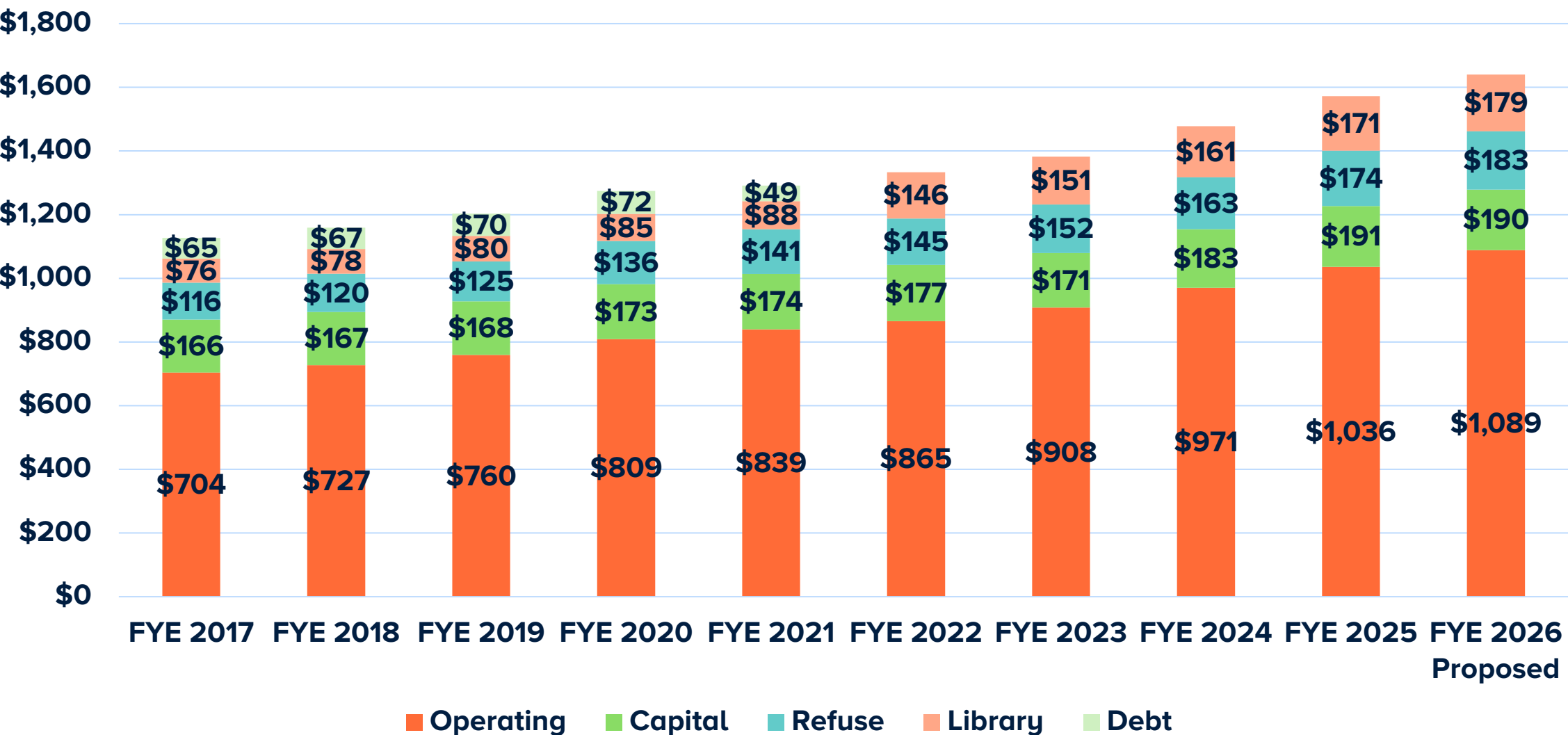
Trends and Summaries: Unadjusted Average Troy Residential Taxable Value



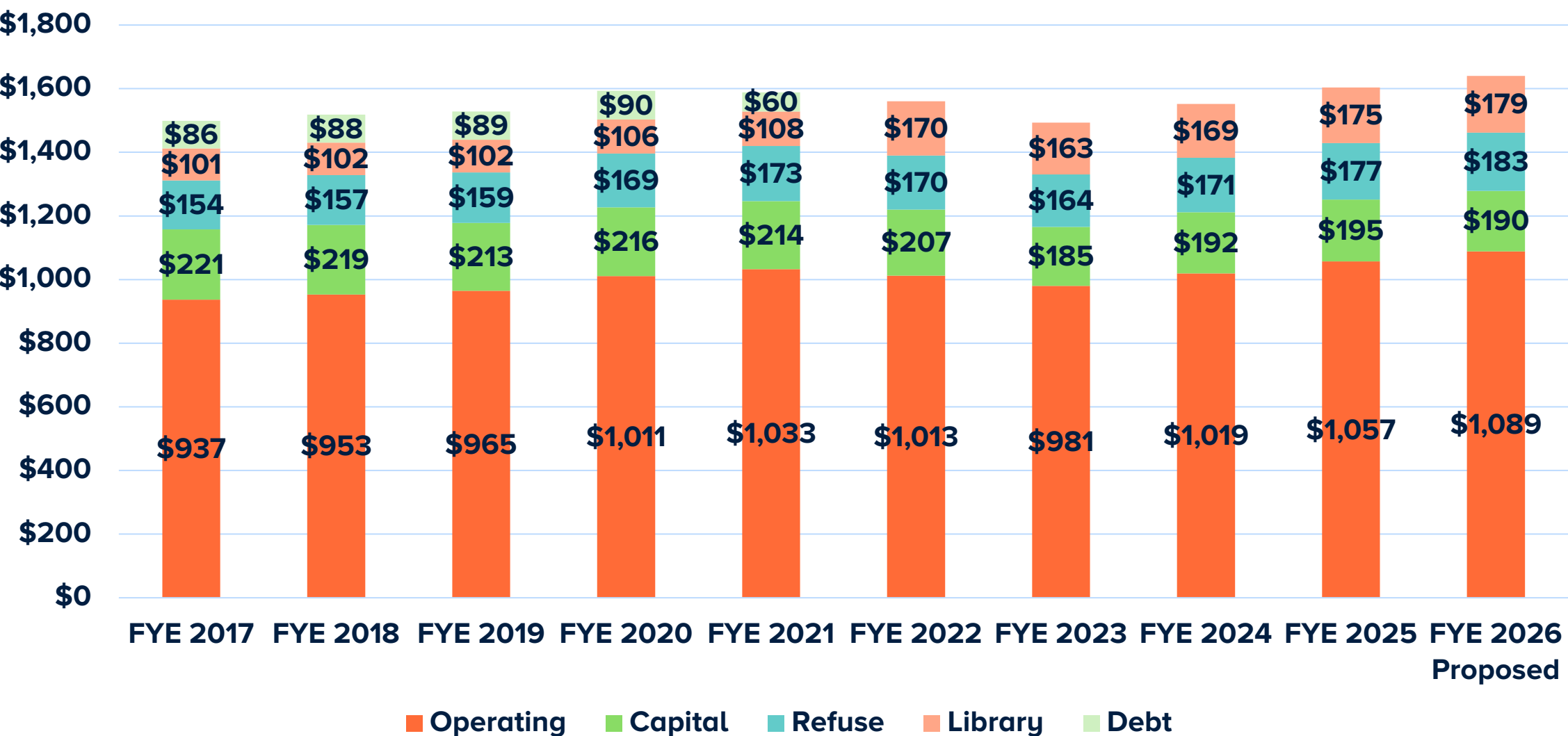
Trends and Summaries: Inflation-adjusted Average Troy Residential Taxable Value



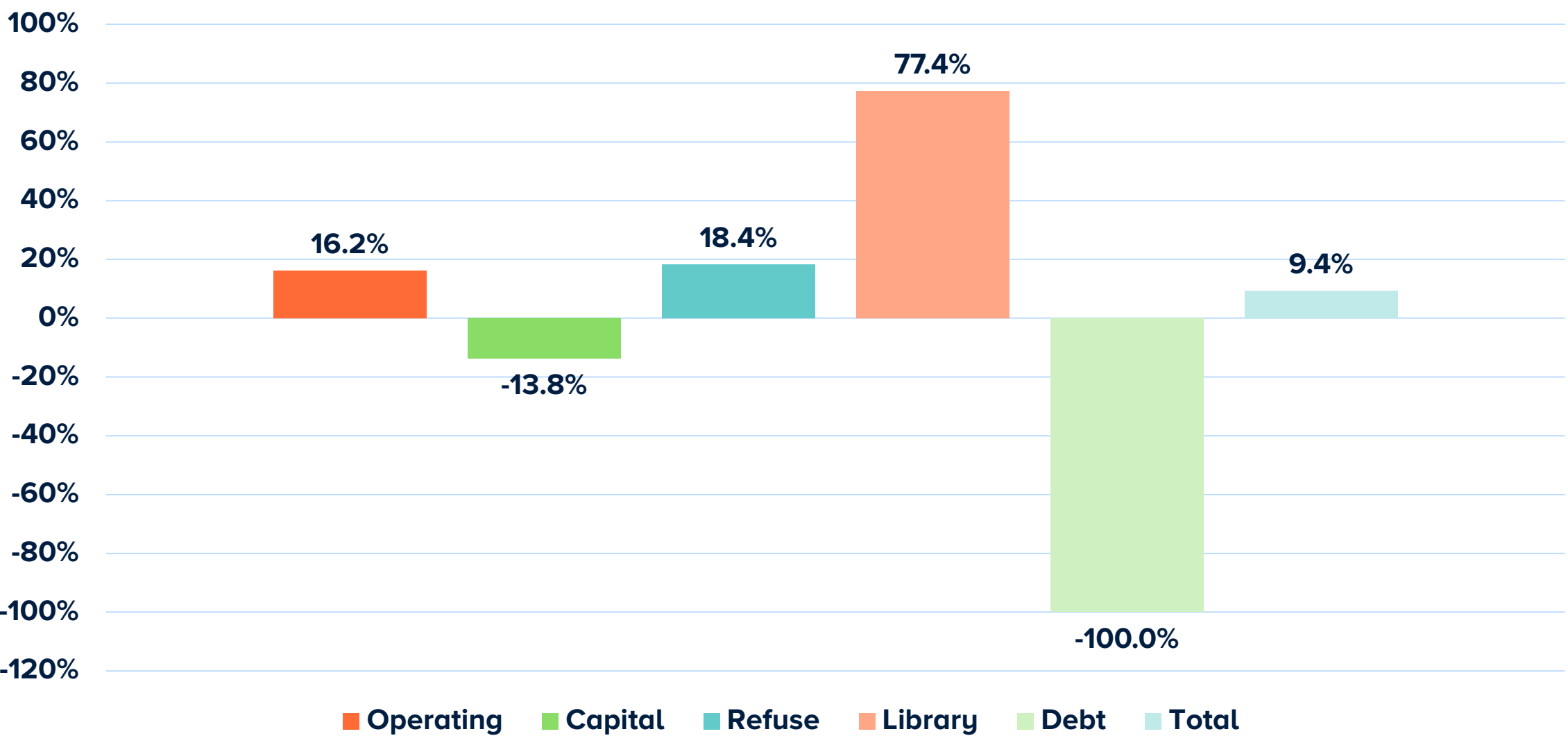
Trends and Summaries: Unadjusted Average Troy City Taxes



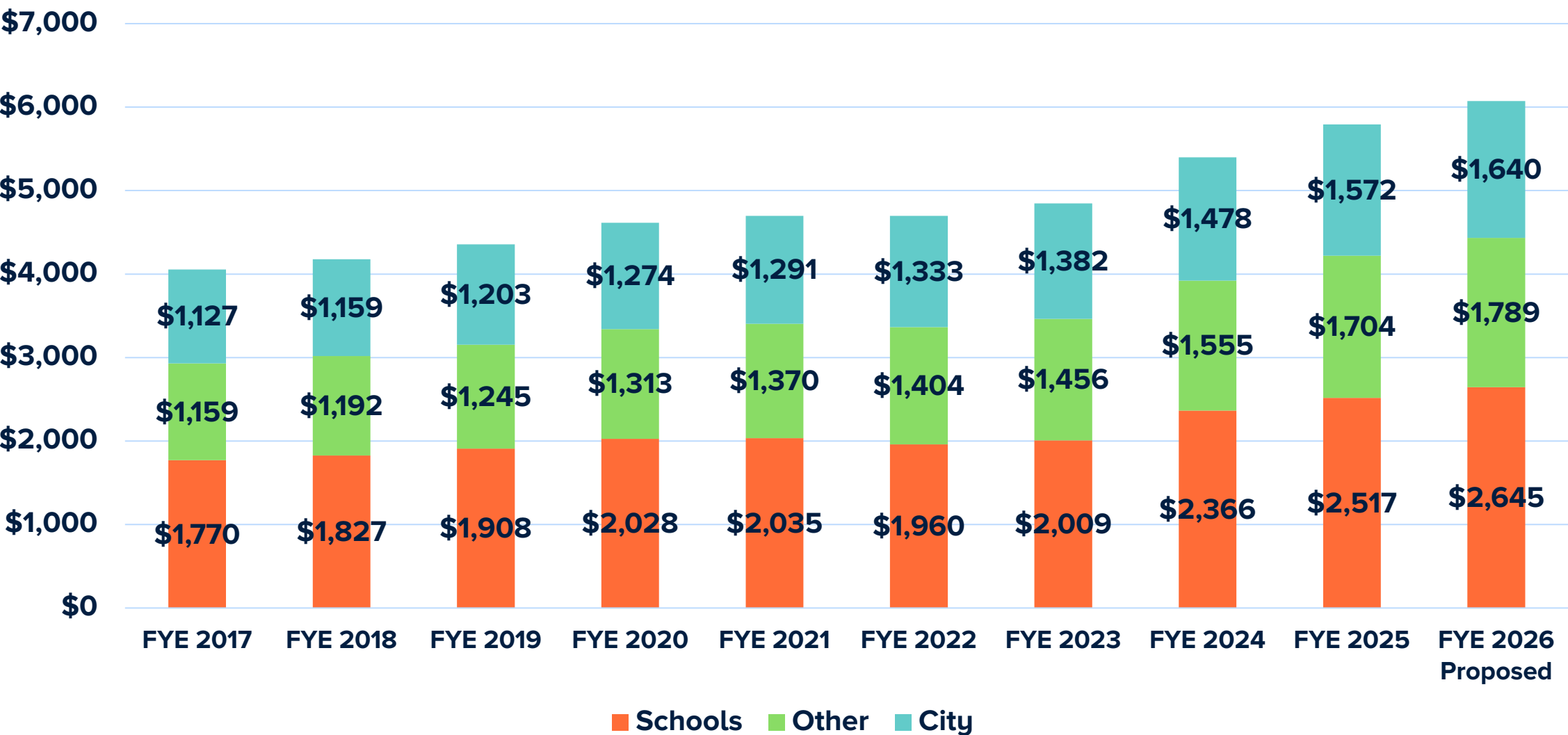
Trends and Summaries: Inflation-adjusted Average Troy City Taxes



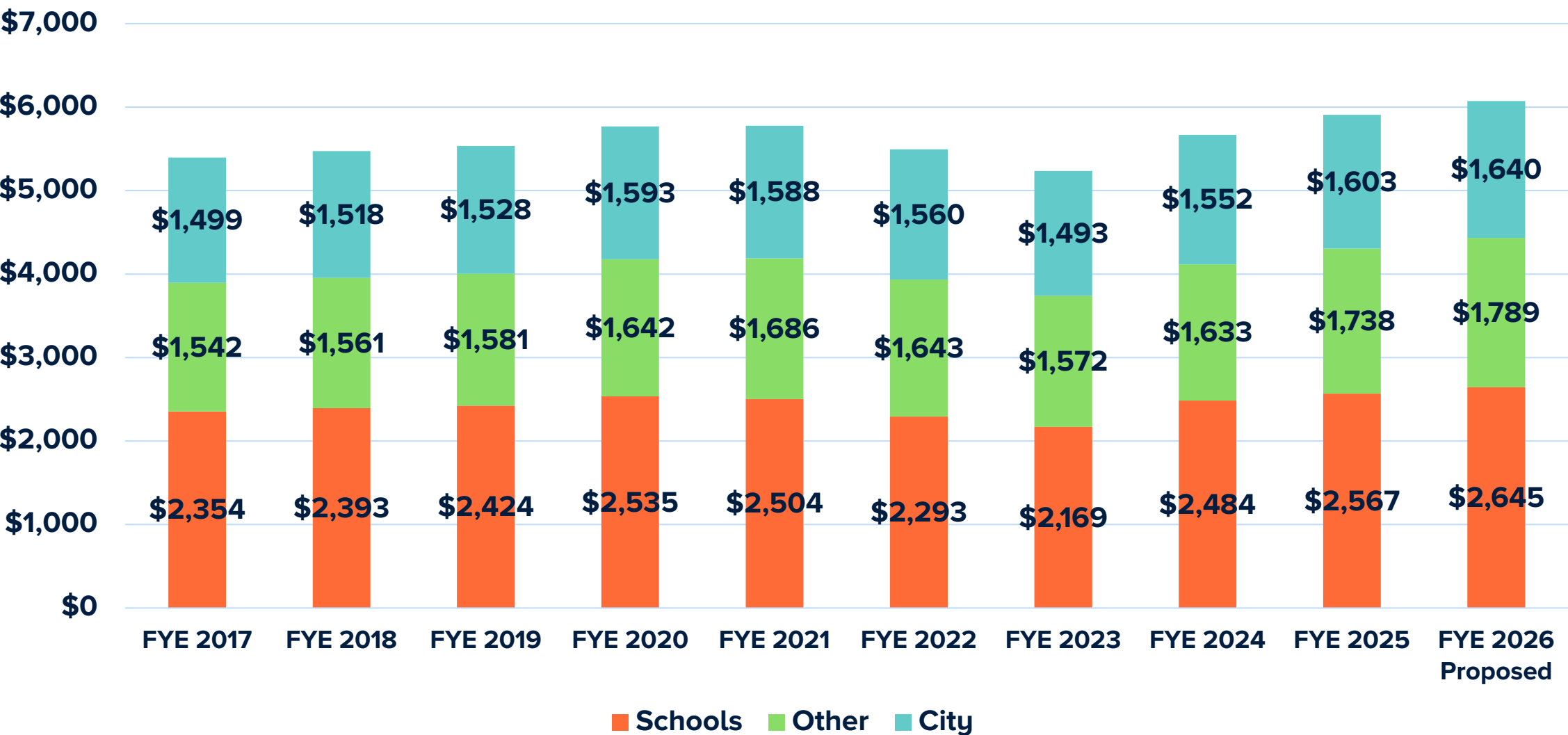
Trends and Summaries: Inflation-adjusted City Tax % Change, FYE 2017 and 2026



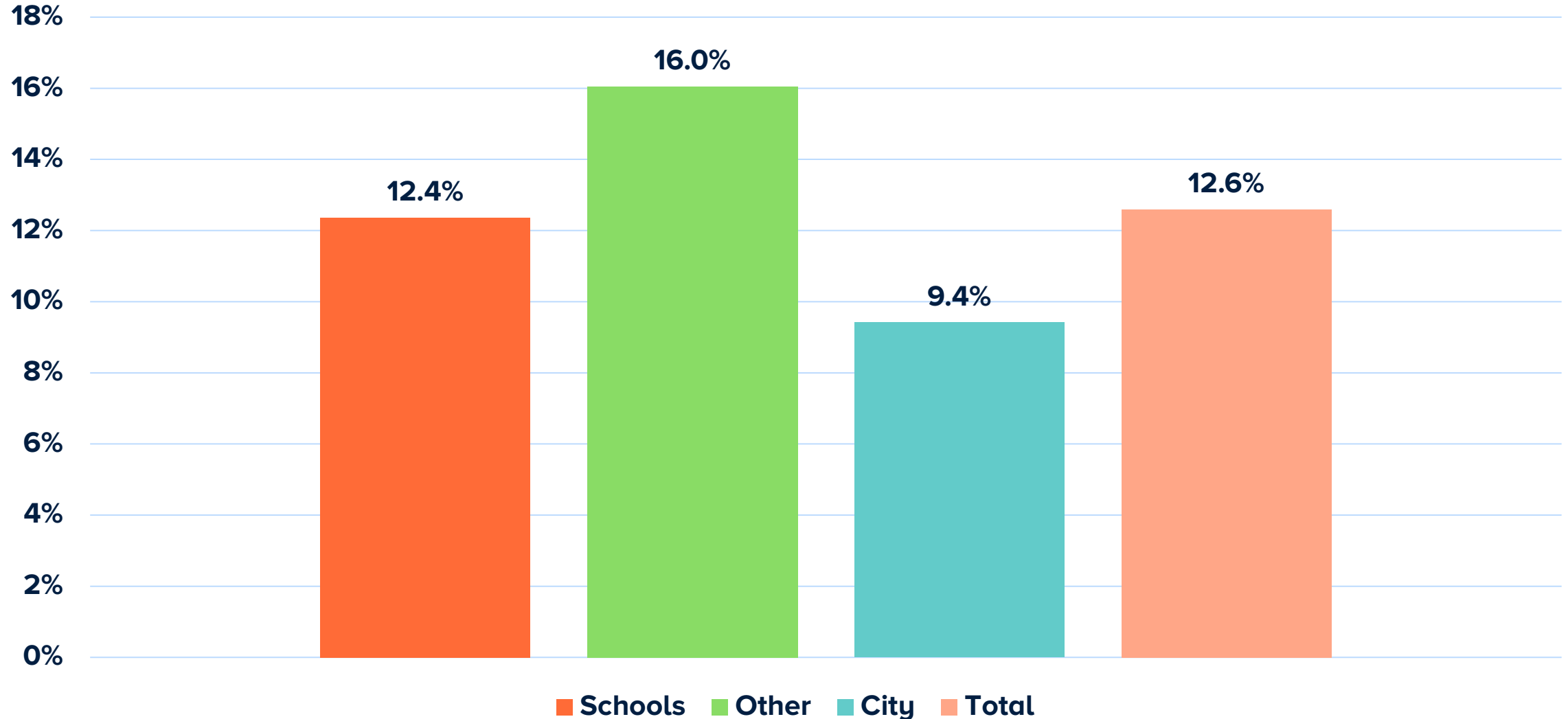
Trends and Summaries: Unadjusted Average Troy Residential Taxes



Trends and Summaries: Inflation-adjusted Average Troy Residential Taxes

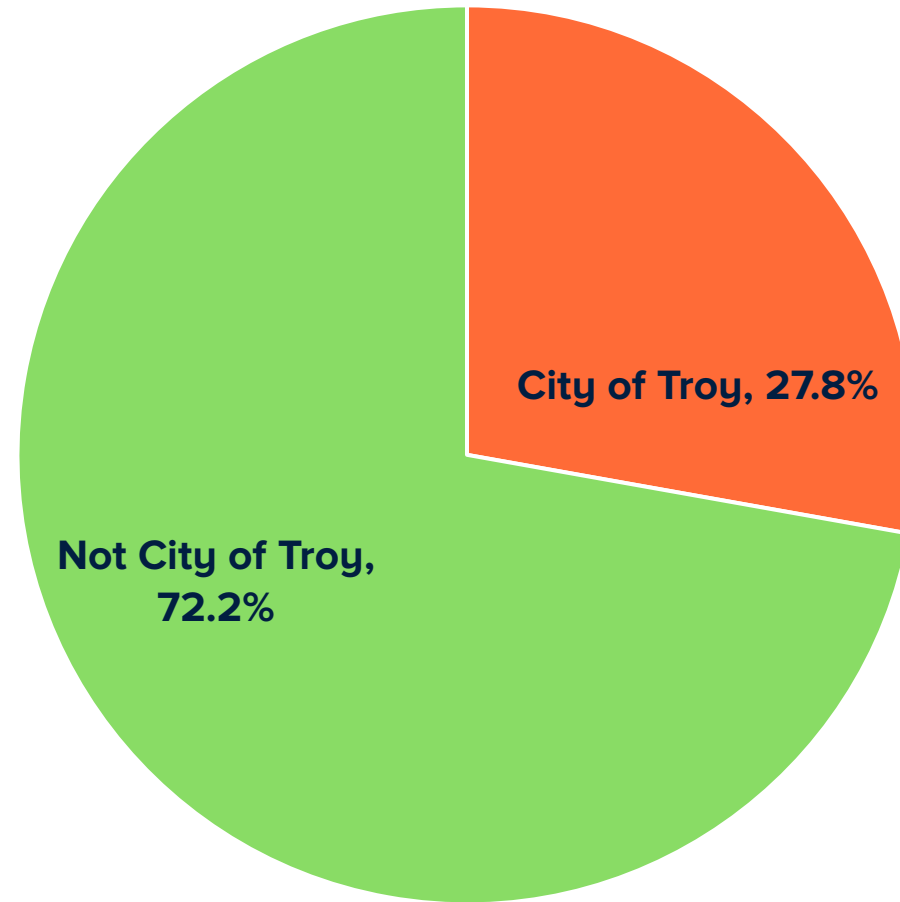


Trends and Summaries: Inflation-adjusted Residential Tax % Change, FYE 2017 and 2026

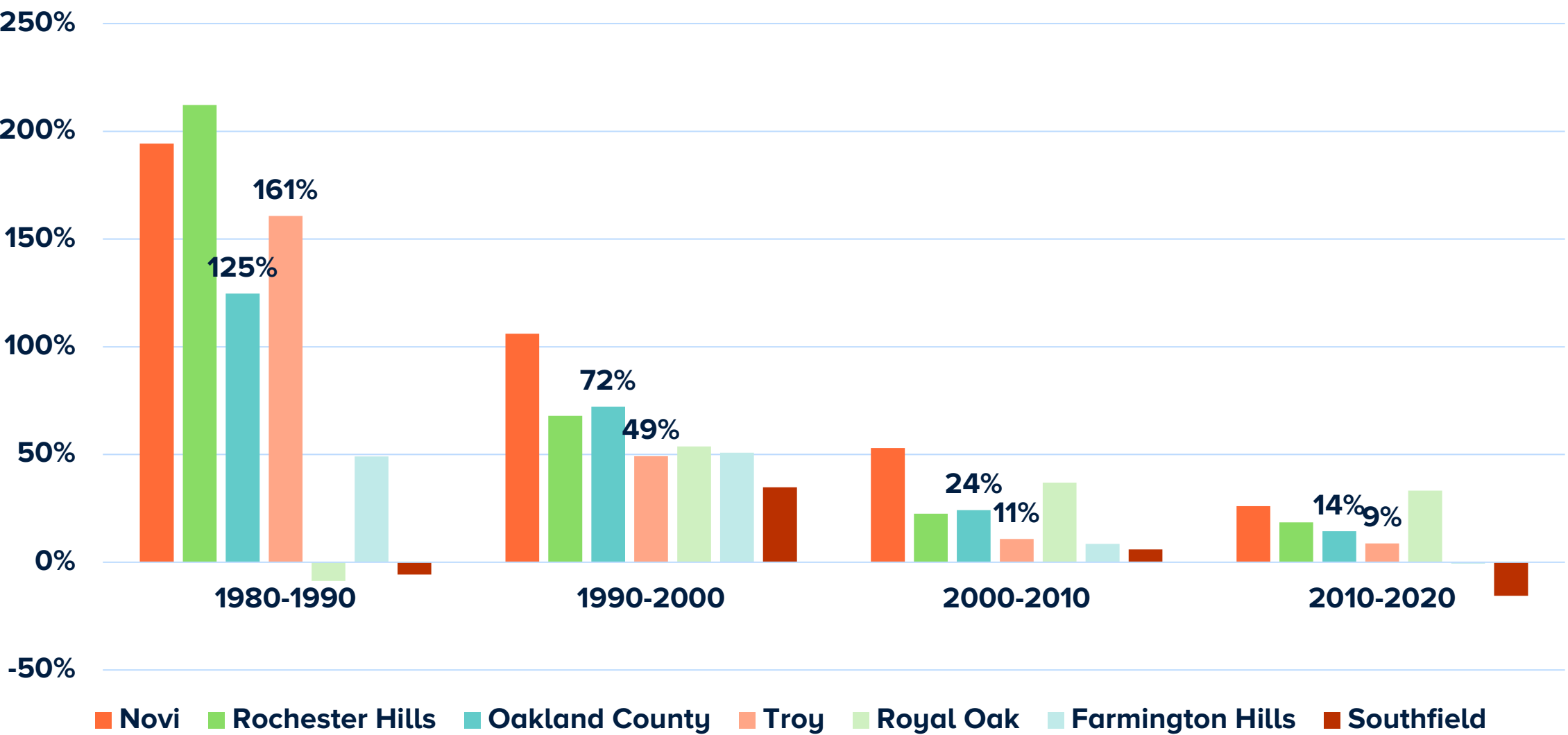


Trends and Summaries:

Average Troy Residential Taxes, 2015-2024

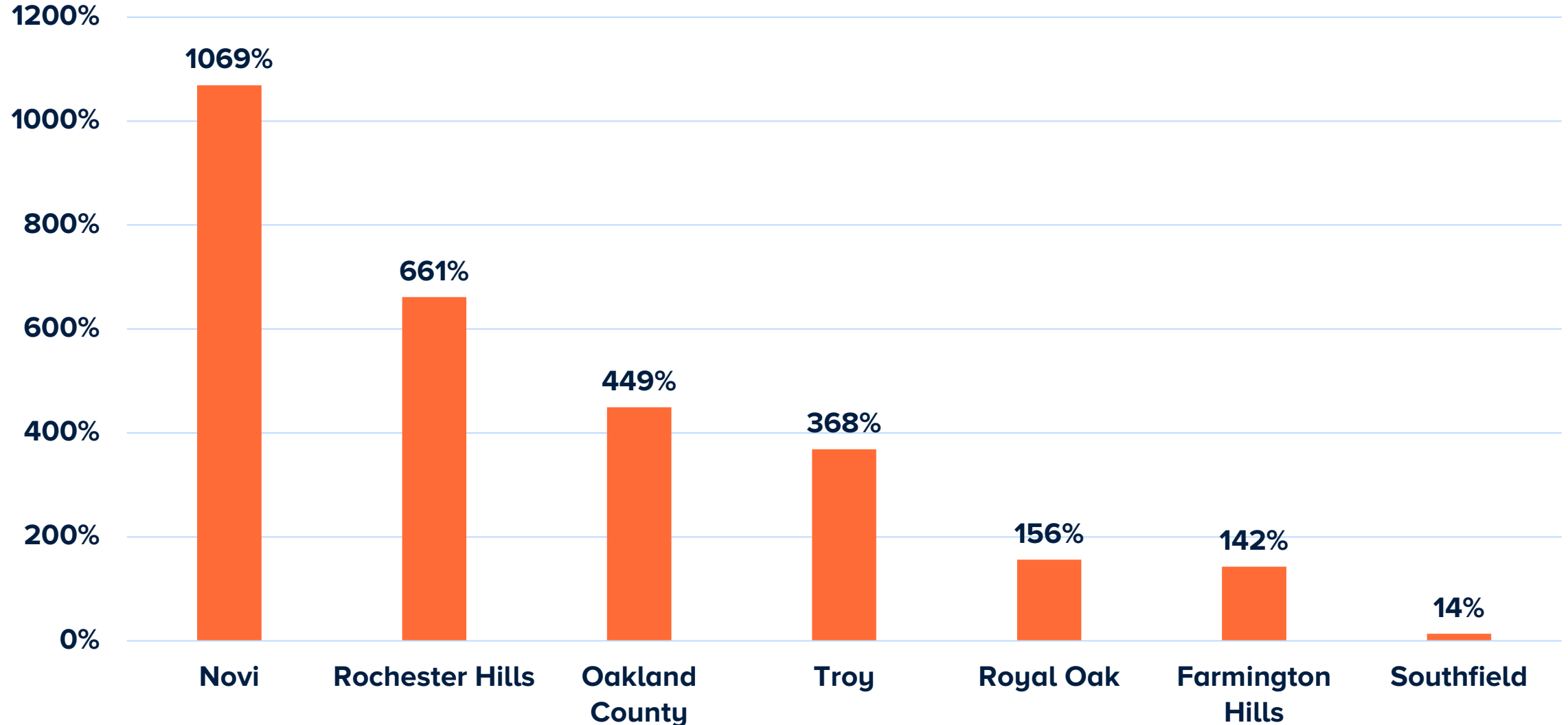


Trends and Summaries: Taxable Value % Change

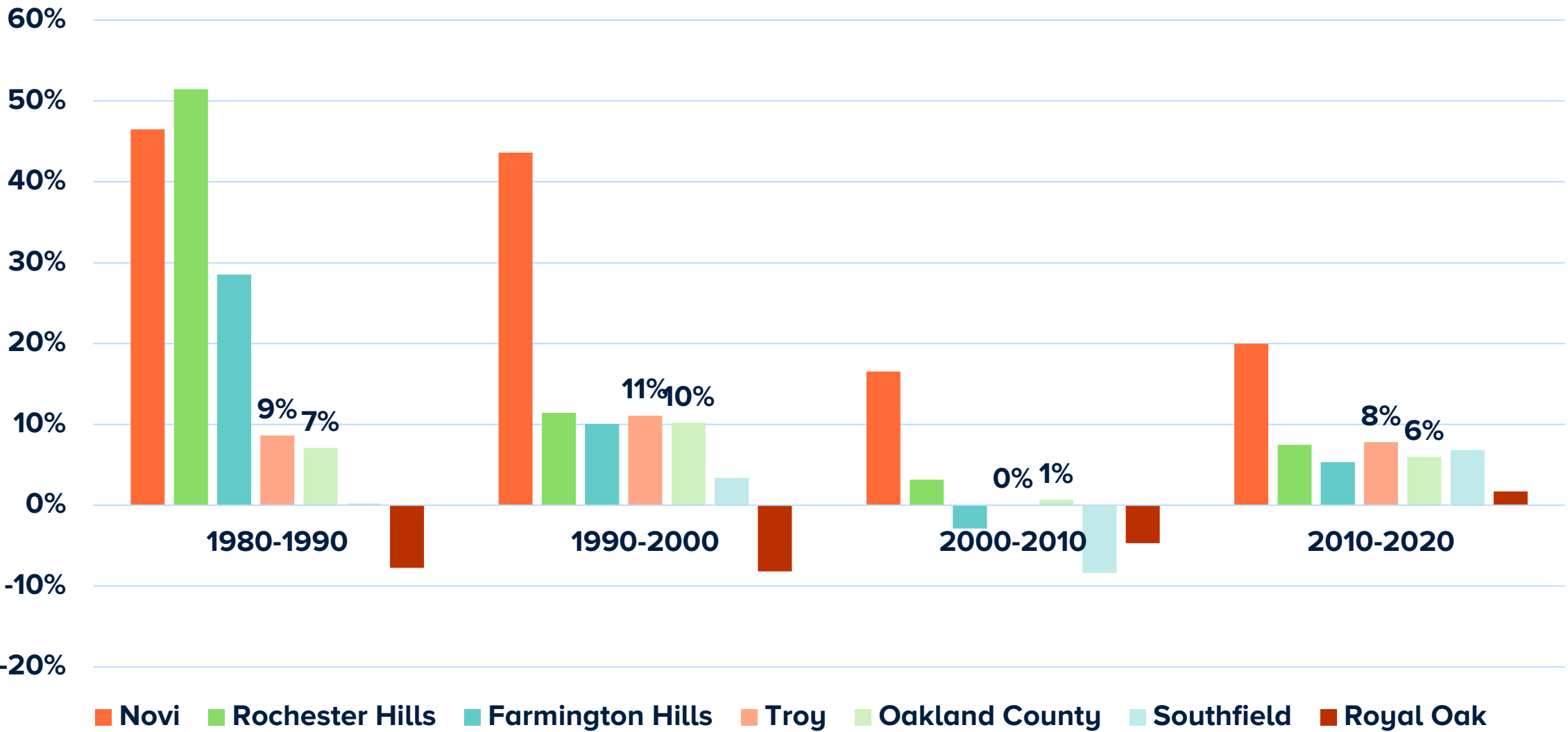


Trends and Summaries:

Taxable Value % Change, 1980-2020

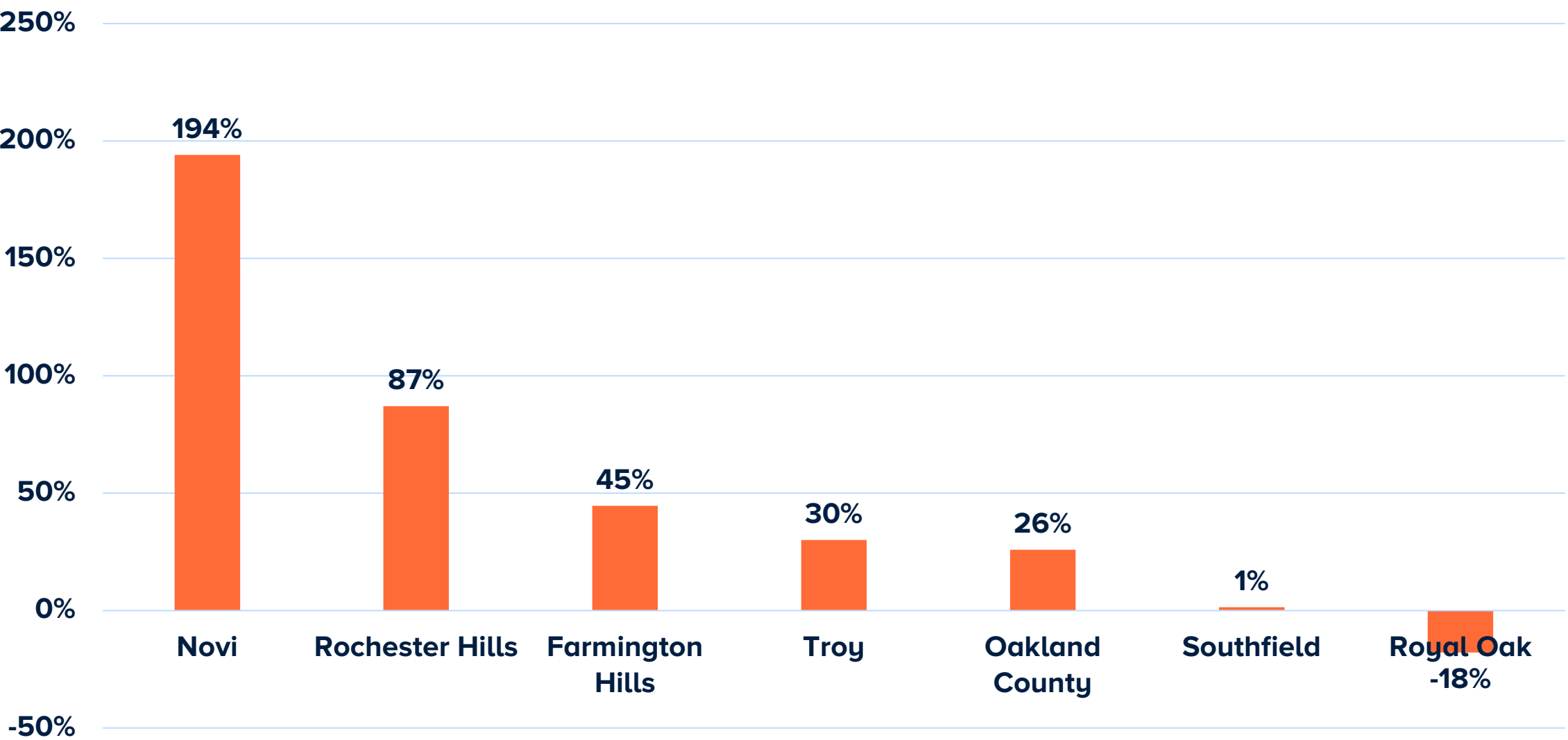


Trends and Summaries: Population % Change



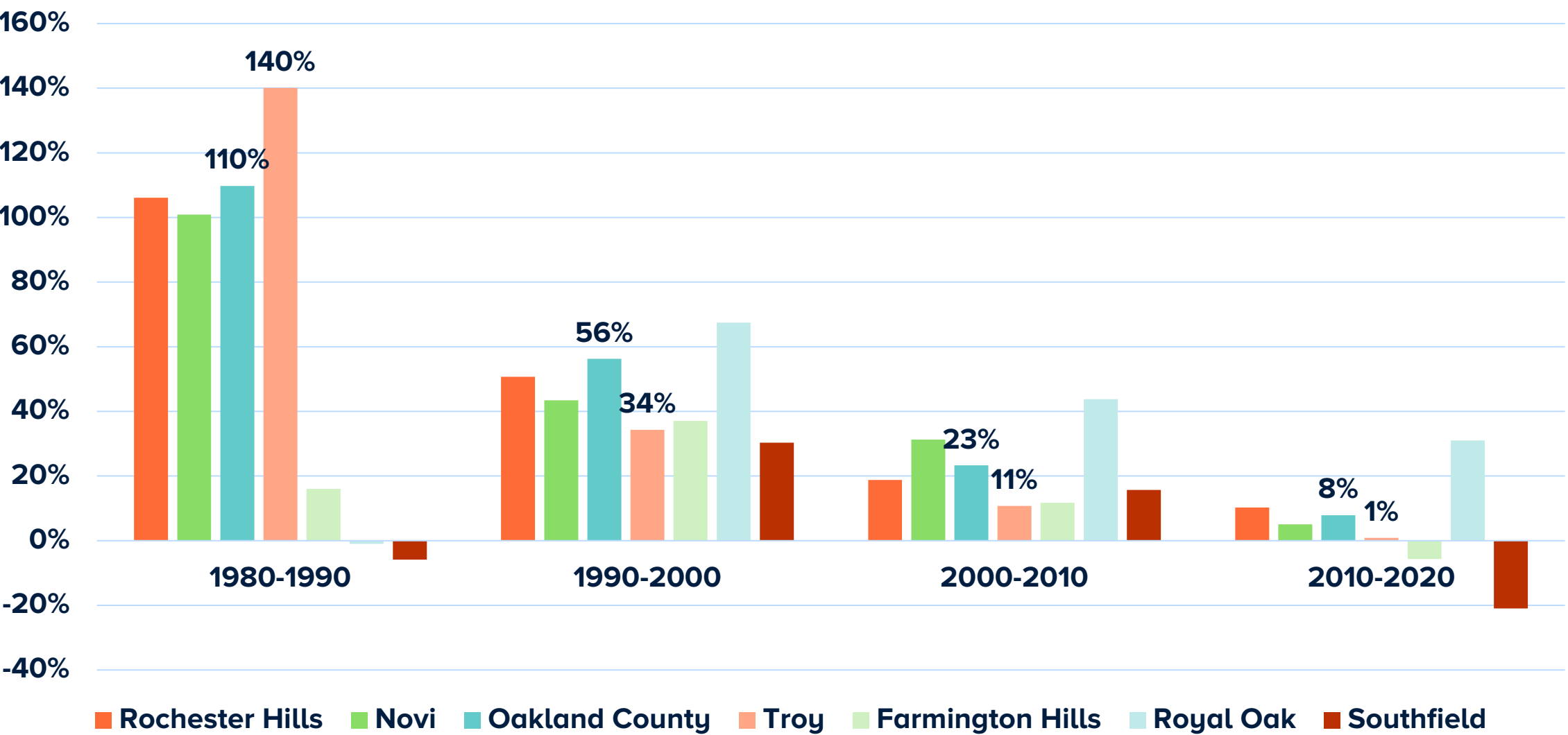
Trends and Summaries:

Population % Change, 1980-2020



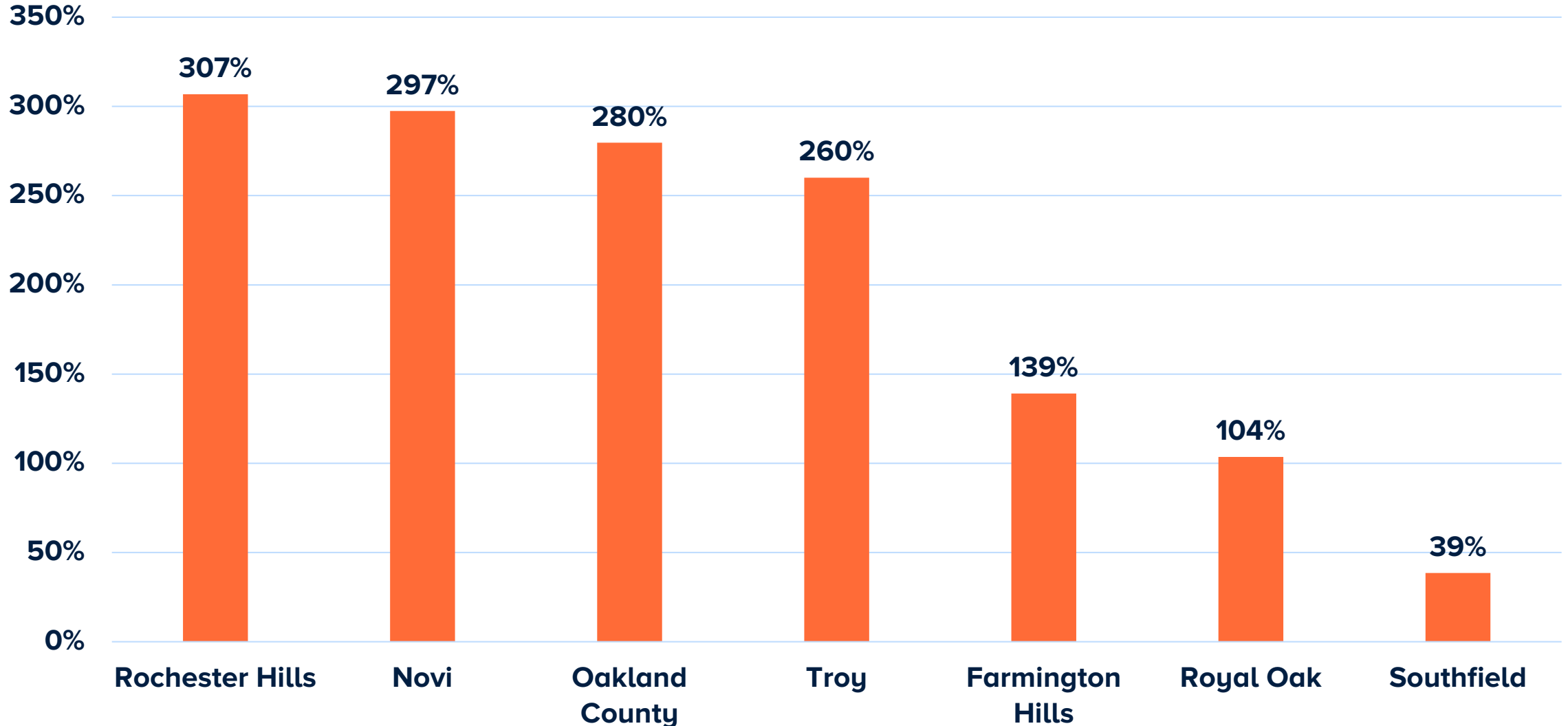
Trends and Summaries:

Taxable Value per Capita % Change



Trends and Summaries:

Taxable Value per Capita % Change, 1980-2020



GENERAL FUND

2025-2026 PROPOSED BUDGET

ROBERT C. MALESZYK | CHIEF FINANCIAL OFFICER

General Fund: Revenues

Total Revenues & Other Financing Sources increased 5.3% from \$71.8 million to \$75.6 million

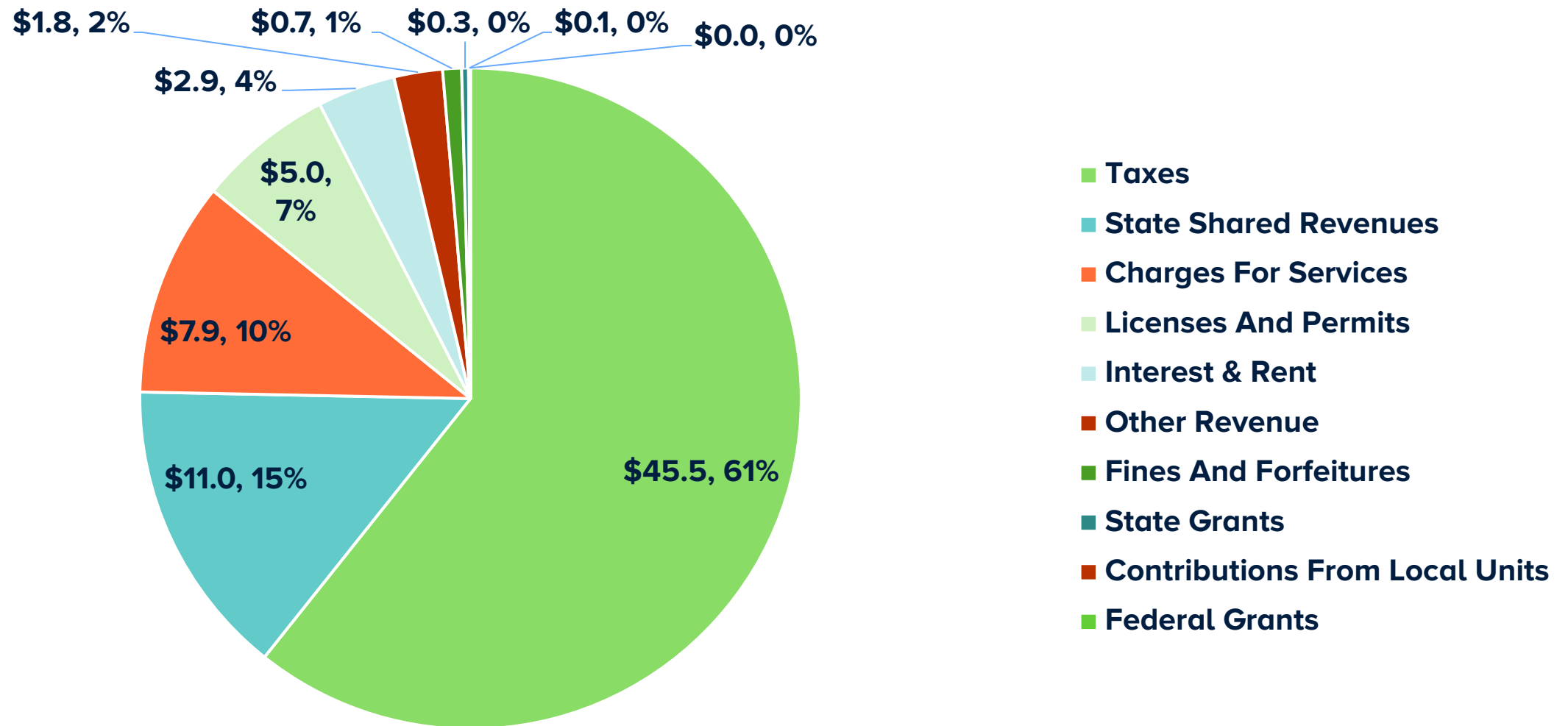
- Primarily due to taxable value increase and increase in Charges for Services
- **Tax revenues increased 4.7% from \$43.5 million to \$45.5 million**
 - 2025 Inflation Rate Multiplier is 3.1%

General Fund: Revenues

State Shared revenues increased 1.1% from \$10.8 million to \$11.0 million

- State sales tax is budgeted to slow down from previous years growth.
- **Charges for services increased 7.8% from \$7.3 million to \$7.9 million primarily due to the inclusion of the Aquatic Center now in the General Fund (\$0.6 million).**

General Fund: Revenues by Category (millions)



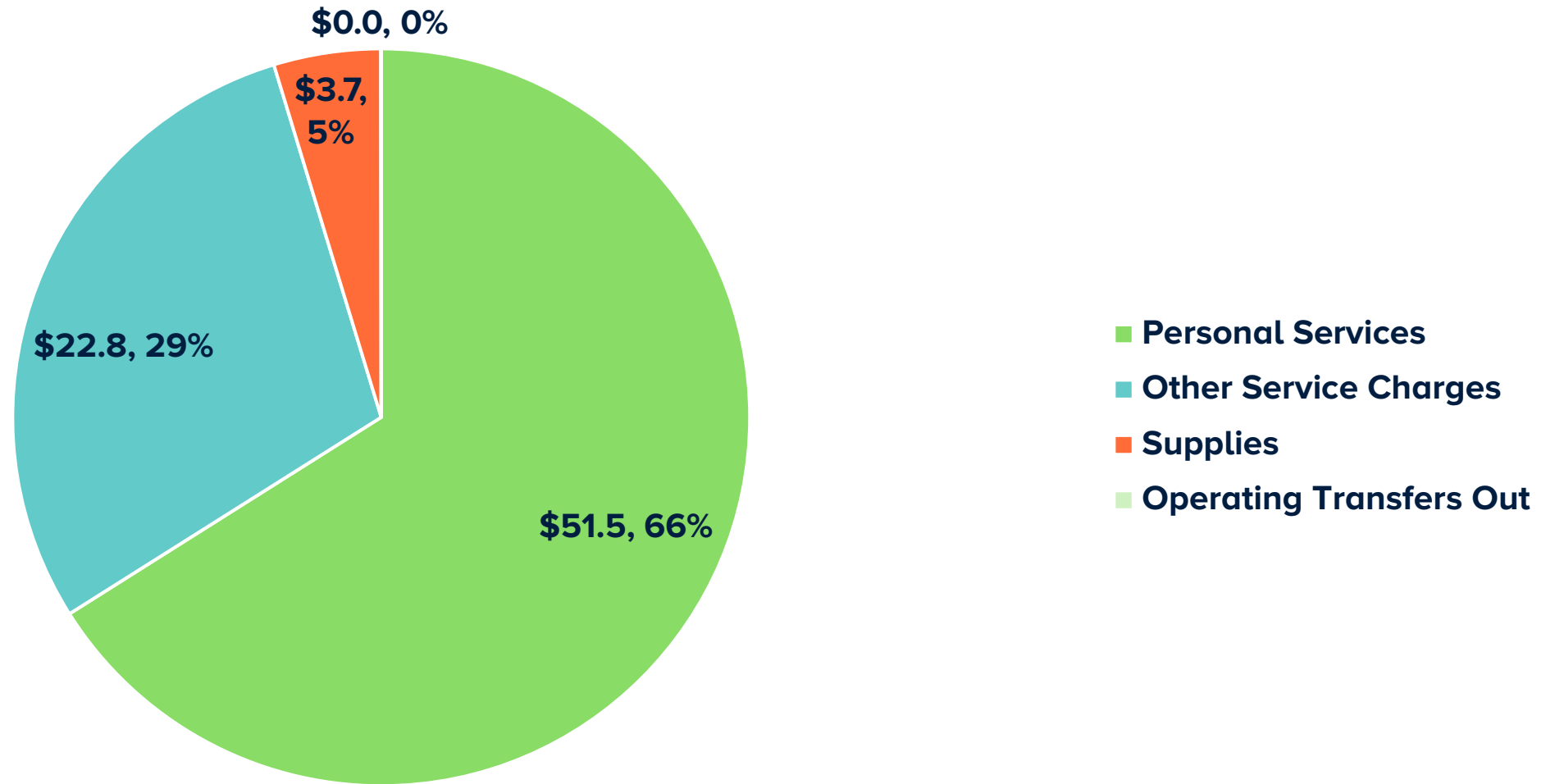
General Fund: Total Expenditures

Total expenditures increased 7.7% from \$72.4 to \$78.0 million.

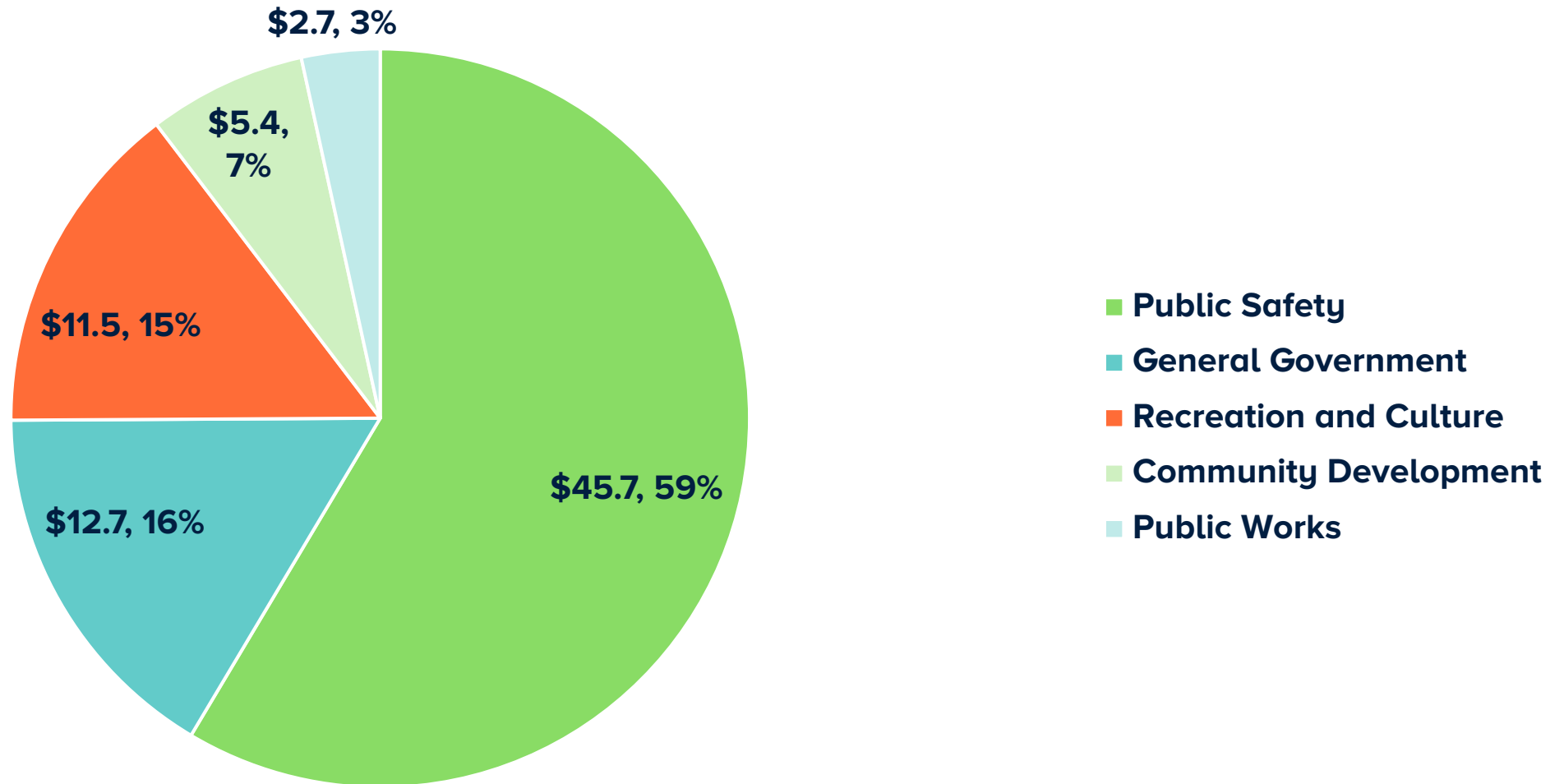
- Primarily due to personnel cost increases
- Also, Aquatic Center is now being recorded in the General Fund (\$0.6 million)



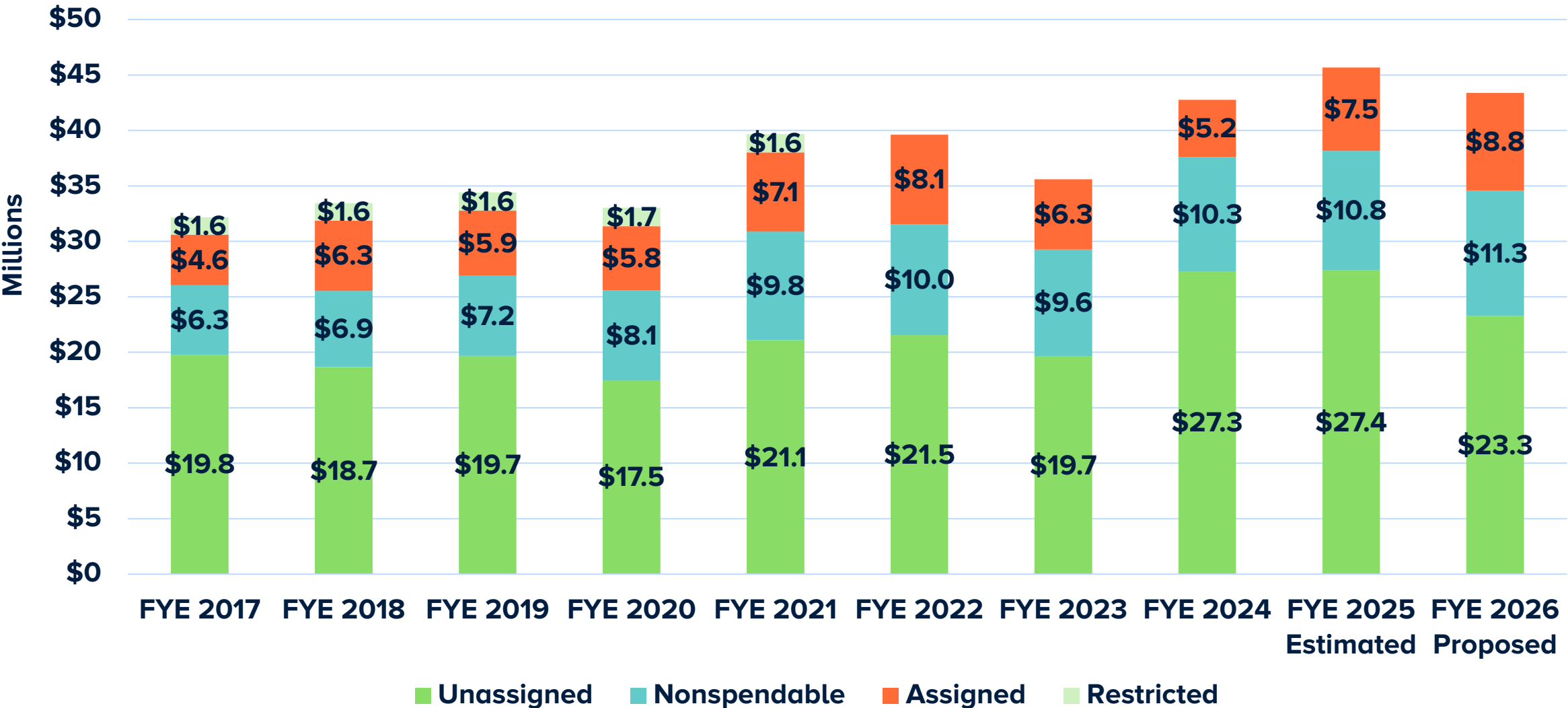
General Fund: Expenditures by Category (millions)



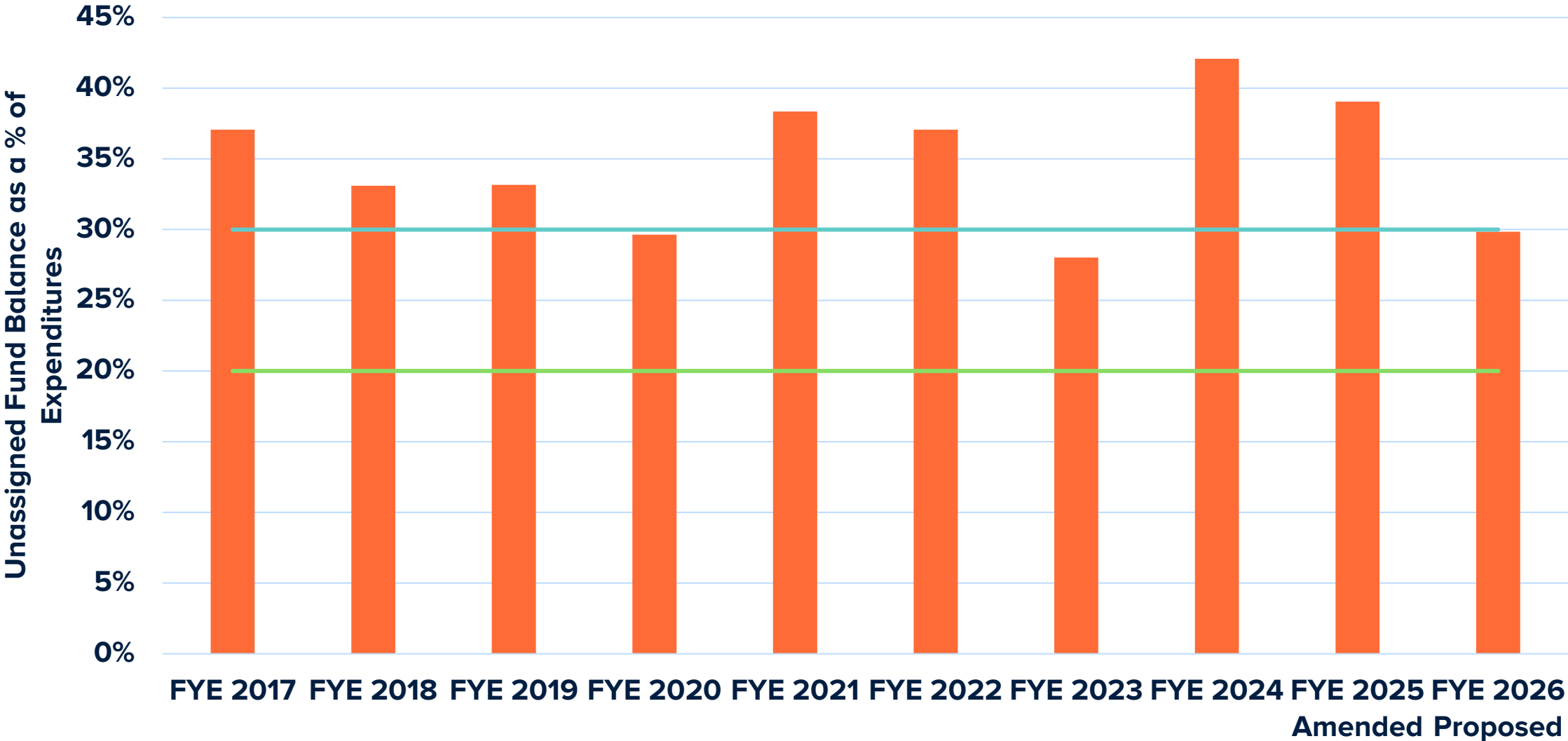
General Fund: Expenditures by Budget Center (millions)



General Fund: Fund Balance (millions)



General Fund: Fund Balance Policy



General Fund: Expenditures



Public Safety

- Expenditures increased 7.4% from \$42.5 to \$45.7 million
- Primarily due to normal increases for Police and Fire labor contracts and additional Building Inspection and EMS costs.



General Government

- Expenditures increased 5.7% from \$12.1 to \$12.7 million
- Primarily due to personnel cost increases

General Fund: Expenditures



Recreation & Culture

- Expenditures increased 13.6% from \$10.1 to \$11.5 million
- Primarily due to personnel cost increases, additional expenditures to support the Ice Rink, and TFAC now being in the General Fund



Community Development

- Expenditures increased 5.3% from \$5.1 to \$5.4 million
- Primarily due to personnel costs

General Fund: Expenditures



Public Works

- Expenditures increase **3.7%** from **\$2.6 to \$2.7 million**
- Primarily due to maintenance and personnel cost increases



Transfers Out

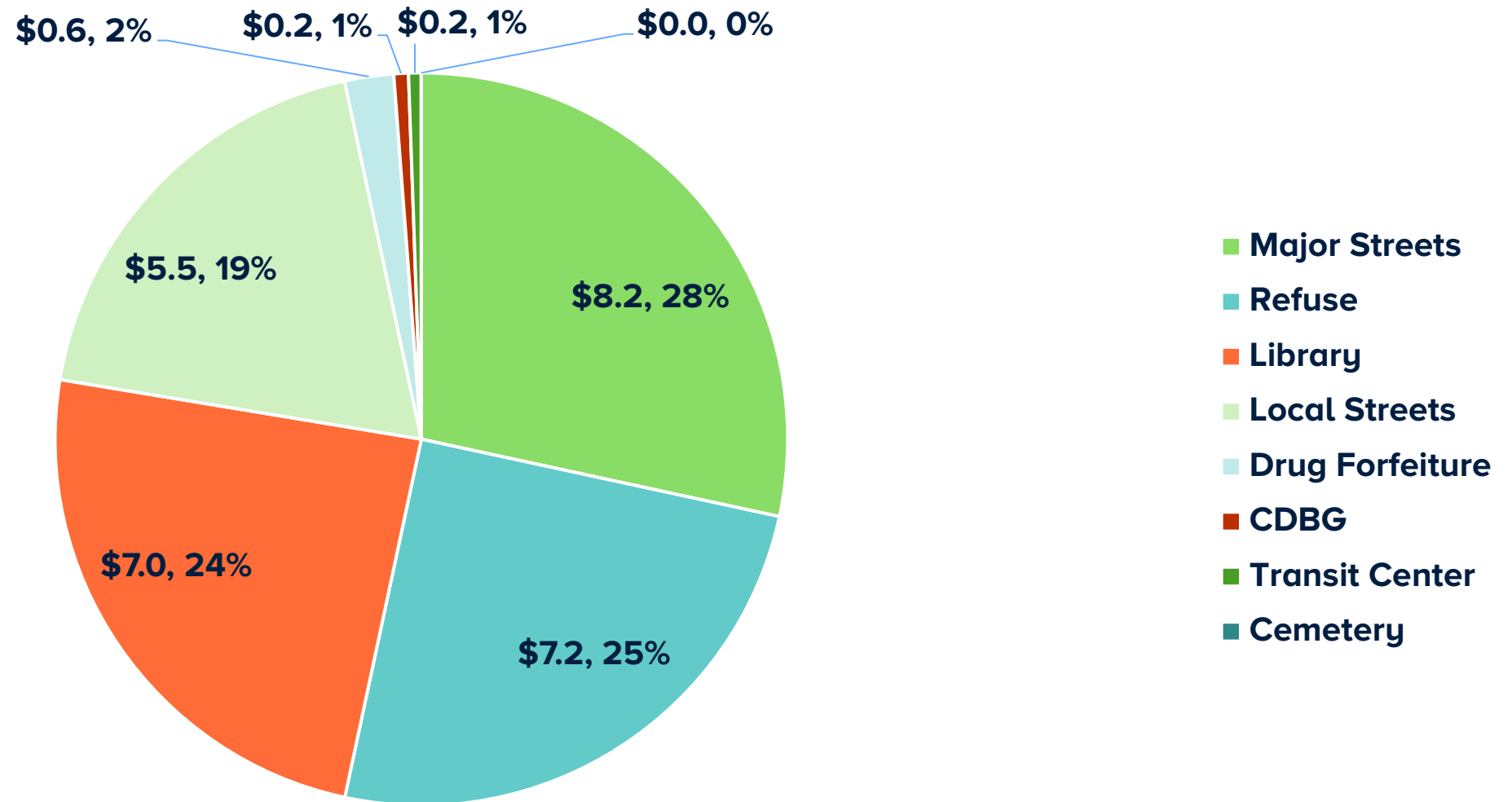
- Operating Transfers Out increased **4% to \$11,128.**
- For the second year in a row, there was no transfer to the **Capital Fund** from the **General Fund**

SPECIAL REVENUE FUNDS

2025-2026 PROPOSED BUDGET

ROBERT C. MALESZYK | CHIEF FINANCIAL OFFICER

Special Revenue Funds: Expenditures (millions)



Special Revenue Funds: Major Streets

Major Streets

- Revenues increased 3.0% from \$8.2 to \$8.5 million primarily due to Michigan gas tax revenue increase
- Expenditures and Transfers Out decreased 11.3% from \$9.3 to \$8.2 million



Special Revenue Funds: Library

Revenues increased 6.5% from \$7.3 to \$7.7 million

- Primarily due to taxable value increase and grants

Expenditures decreased 11.1% from \$7.9 to \$7.0 million

- Expenditures decreased due to no capital in the 2026 budget.



Special Revenue Funds: Refuse & Recycling

Revenues increased 4.7% from \$6.9 to \$7.3 million

- Primarily due to taxable value increase

Expenditures increased 4.1% from \$7.0 to \$7.2 million

- Primarily due to contractual service increases



Special Revenue Funds

Local Streets

Local Streets

- Revenues decreased 1.4% from \$4.8 to \$4.7 million due to prior budget being too aggressive
- Expenditures and Transfers Out decreased 9.2% from \$6.1 to \$5.5 million primarily due to local street projects



DEBT SERVICE & CAPITAL FUNDS

2025-2026 PROPOSED BUDGET

KYLE A. VIETH | CONTROLLER

Debt Service Fund: General Obligation Debt Limit

Debt Outstanding at June 30, 2025

- Series 2013 & 2020 - DDA: \$8.4 million
- George W. Kuhn Drain: \$55,000

Total Debt Service (excluding Enterprise Funds)

- Series 2013 & 2020 - DDA: \$938,000
- George W. Kuhn Drain: \$17,000



Capital Projects Fund

Many Needs

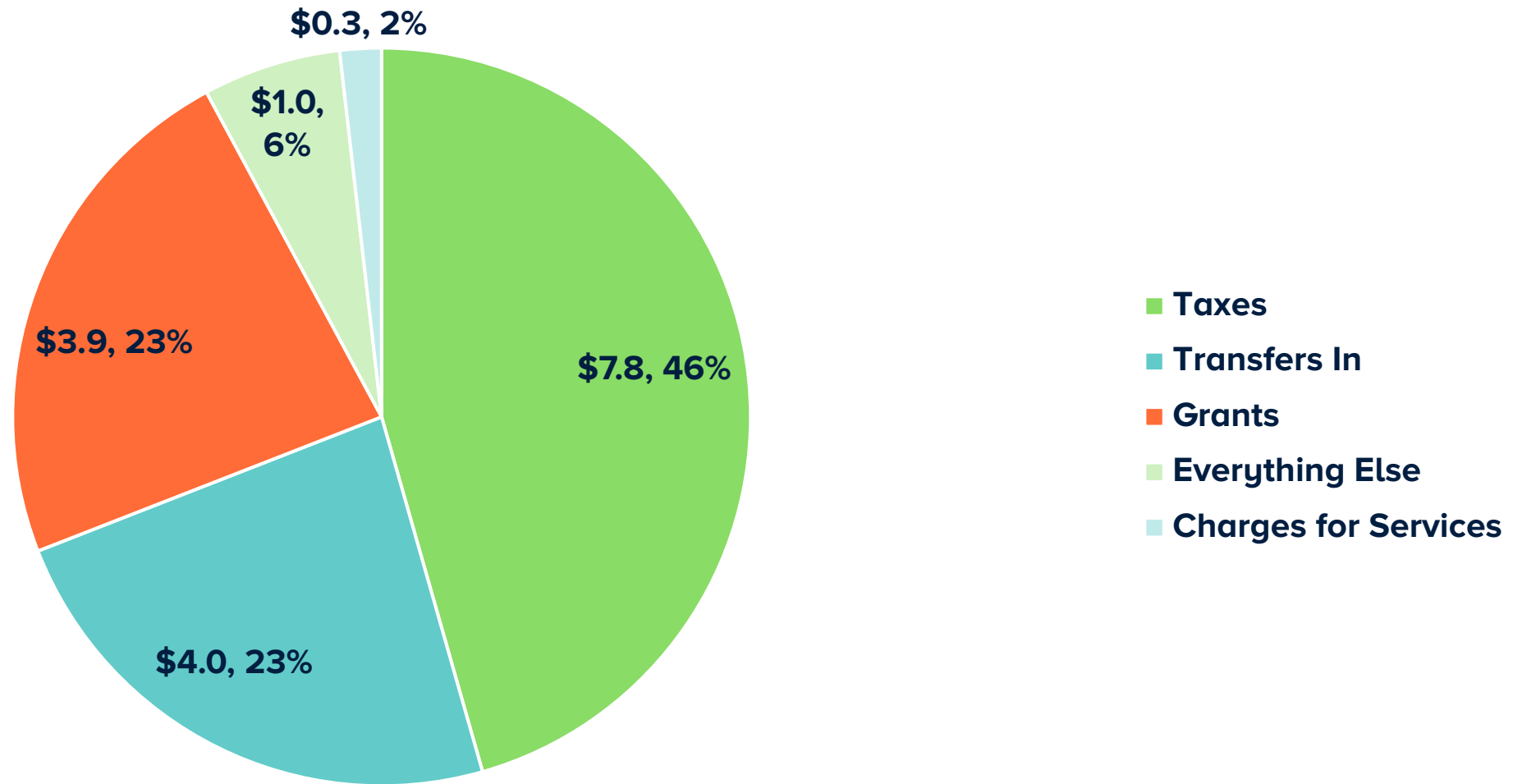
- Maintain core facilities and infrastructure
- Keep existing facilities and services operating effectively while alternatives and larger capital considerations are considered

Current Funding

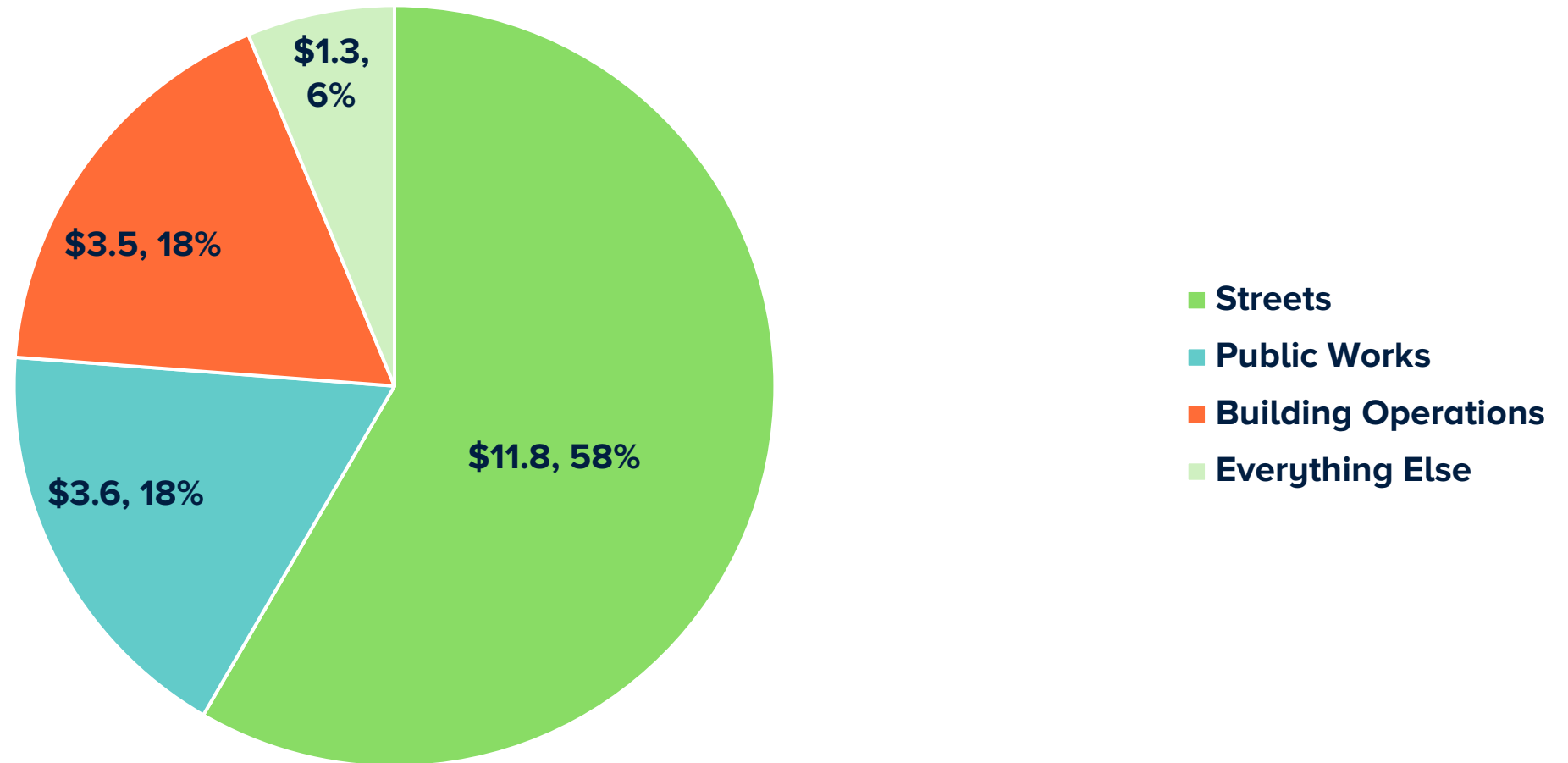
- Revenues increased 11.5% from \$11.7 to \$13.0 million primarily due to additional federal funding
- Transfers in decreased 49.6% from \$7.9 to \$4.0 million primarily due to decrease in library and streets



Capital Projects Fund: Revenues (millions)



Capital Projects Fund: Expenditures (millions)



Capital Projects Fund



Streets | \$11.8 million

- Rochester Road \$3.5 million
- Local Road maintenance \$3.5 million
- Industrial Roads \$2.0 million



Public Works | \$3.6 million

- Drains \$1.8 million (\$1.5 mil Lane Drain only if grant is received)
- Sidewalks \$1.0 million
- Streets Garage Roof \$0.8 million

Capital Projects Fund



Recreation | \$1.6 million

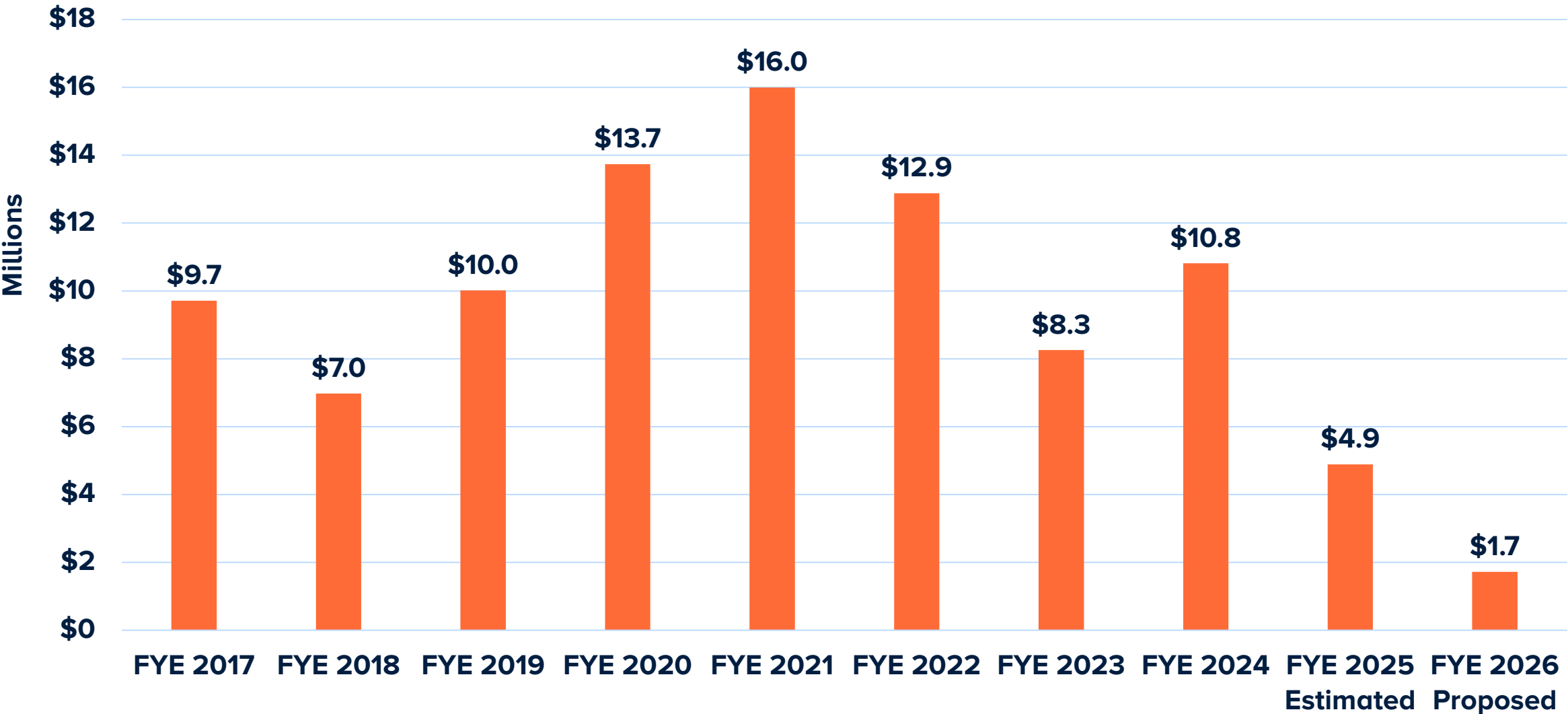
- Building Generator \$1.1 million (Only if Grant is received)
- Swimming Pool Refinishing \$0.5 million



Building Operations

- \$1.8 million Police Roof

Capital Projects Fund: Fund Balance



ENTERPRISE FUNDS

2025-2026 PROPOSED BUDGET

KYLE A. VIETH | CONTROLLER

KURT BOVENSIEP | PUBLIC WORKS DIRECTOR

Enterprise Funds: Sanctuary Lake Golf Course

**Revenues increased 8.9% from
\$2.2 million to 2.4 million**

**Expenditures decreased 2.6% from
\$3.3 million to \$3.2 million**

**Advances from Other Funds will
continue until Golf Course Series
2022 bonds are paid off in 2028**



Enterprise Funds: Sylvan Glen Golf Course

**Revenues increased 2.2% from
\$1.5 million to \$1.6 million**

**Expenditures decreased 13.0%
from \$1.8 million to \$1.6 million**



Enterprise Funds:

Sewer Fund

Revenues increased 1.2% from \$16.7 to \$16.9 million

- Rate increased to support higher costs and lower consumption

Expenditures increased 10.9% from \$18.8 million to \$20.9 million

- More capital than the previous year

Enterprise Funds: Water Fund

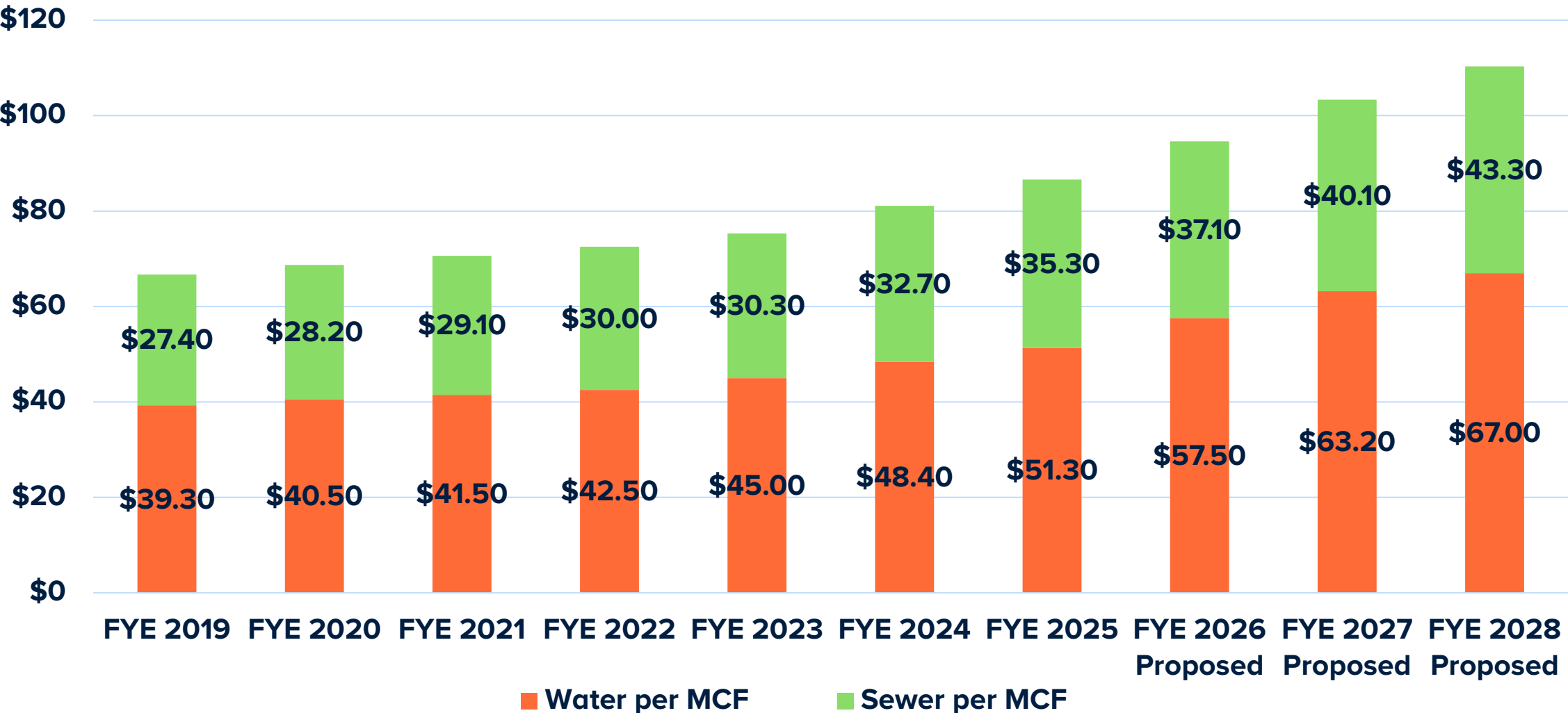
Revenues increased 5.4% from \$24.7 to \$26.0 million

- Rate increased to support Great Lakes Water Authority (GLWA) increase and lower usage

Expenditures decreased 16.3% from \$28.1 million to \$23.5 million

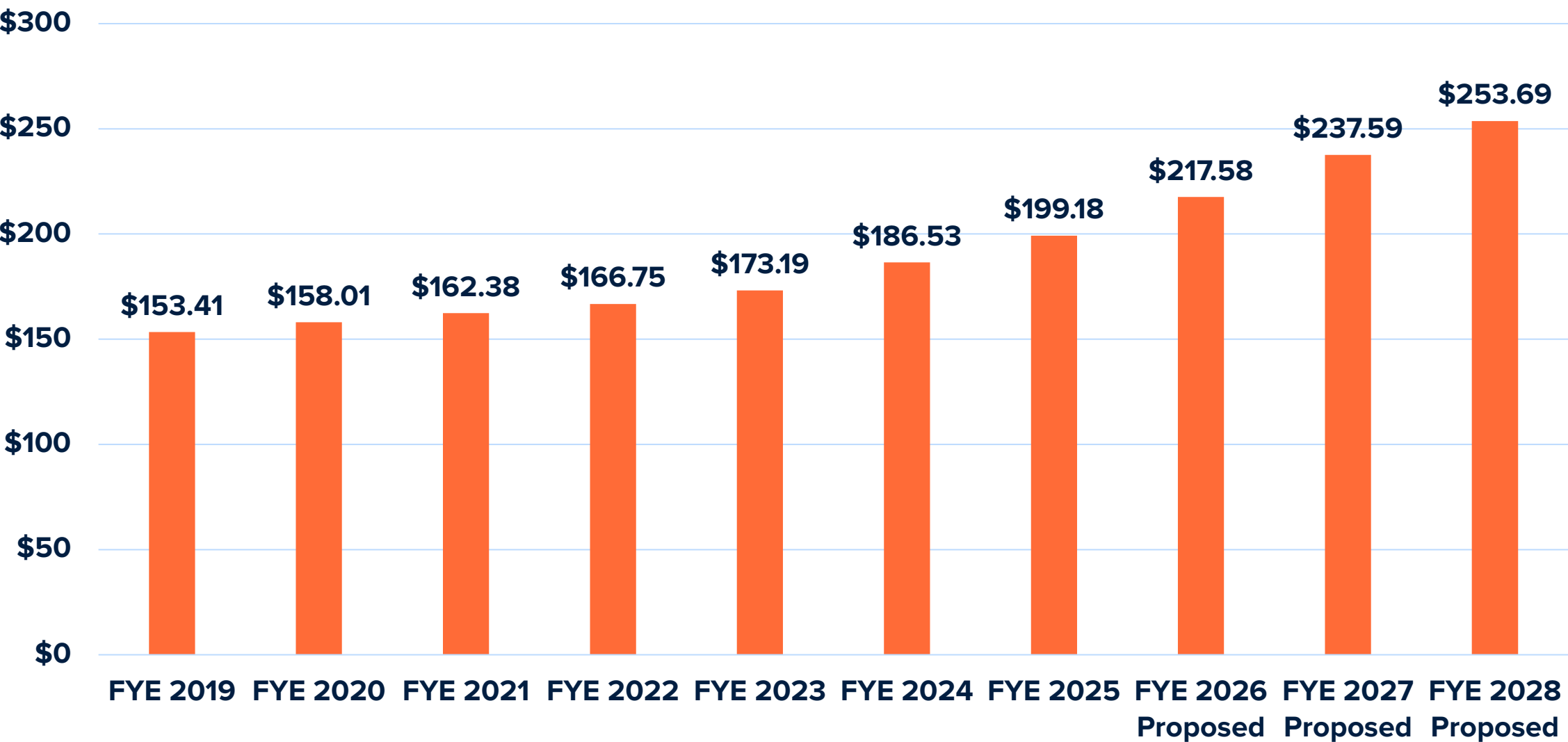
- Less capital than the previous year

Enterprise Funds: Water & Sewer Rates

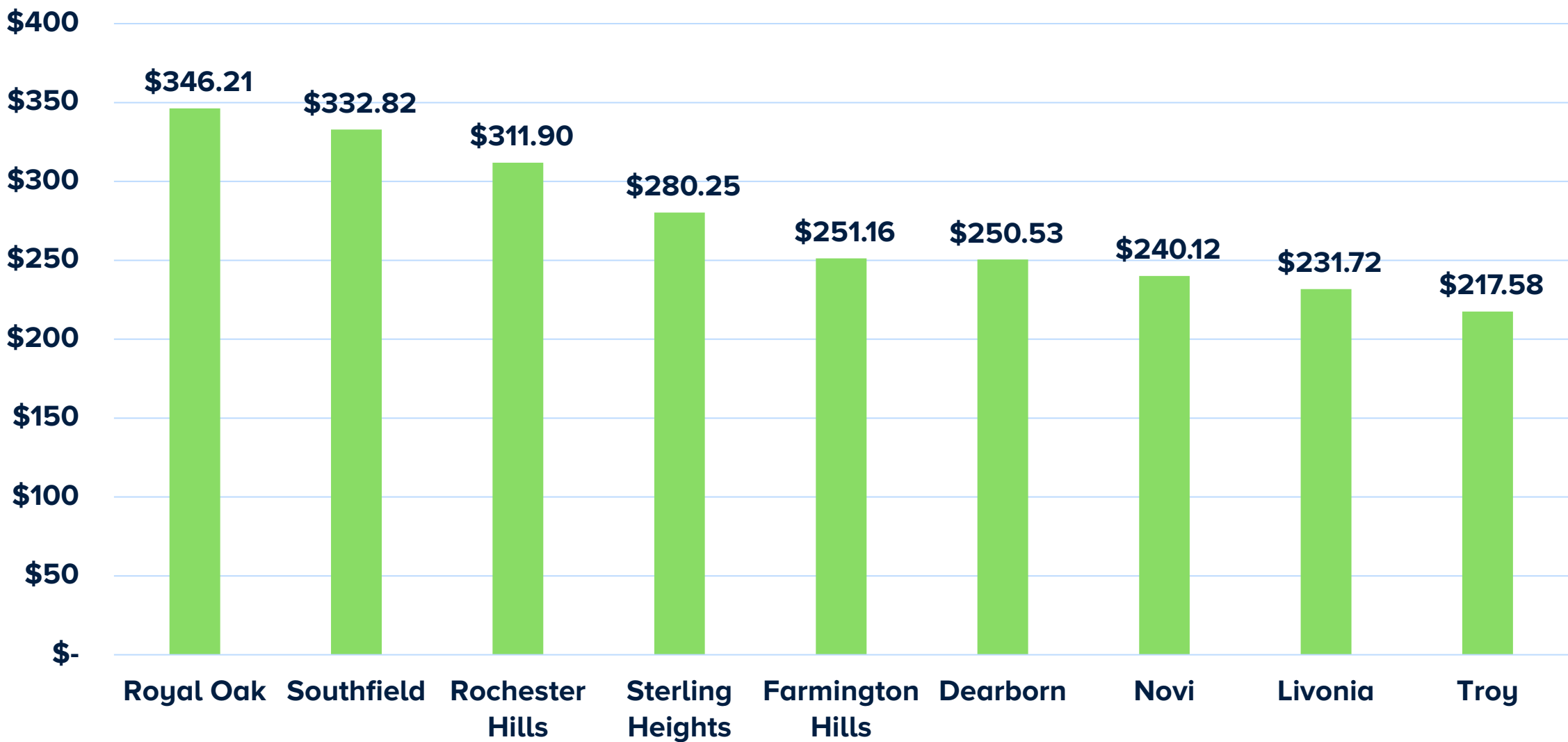


Enterprise Funds:

Average Quarterly Bill (2.3 MCF)

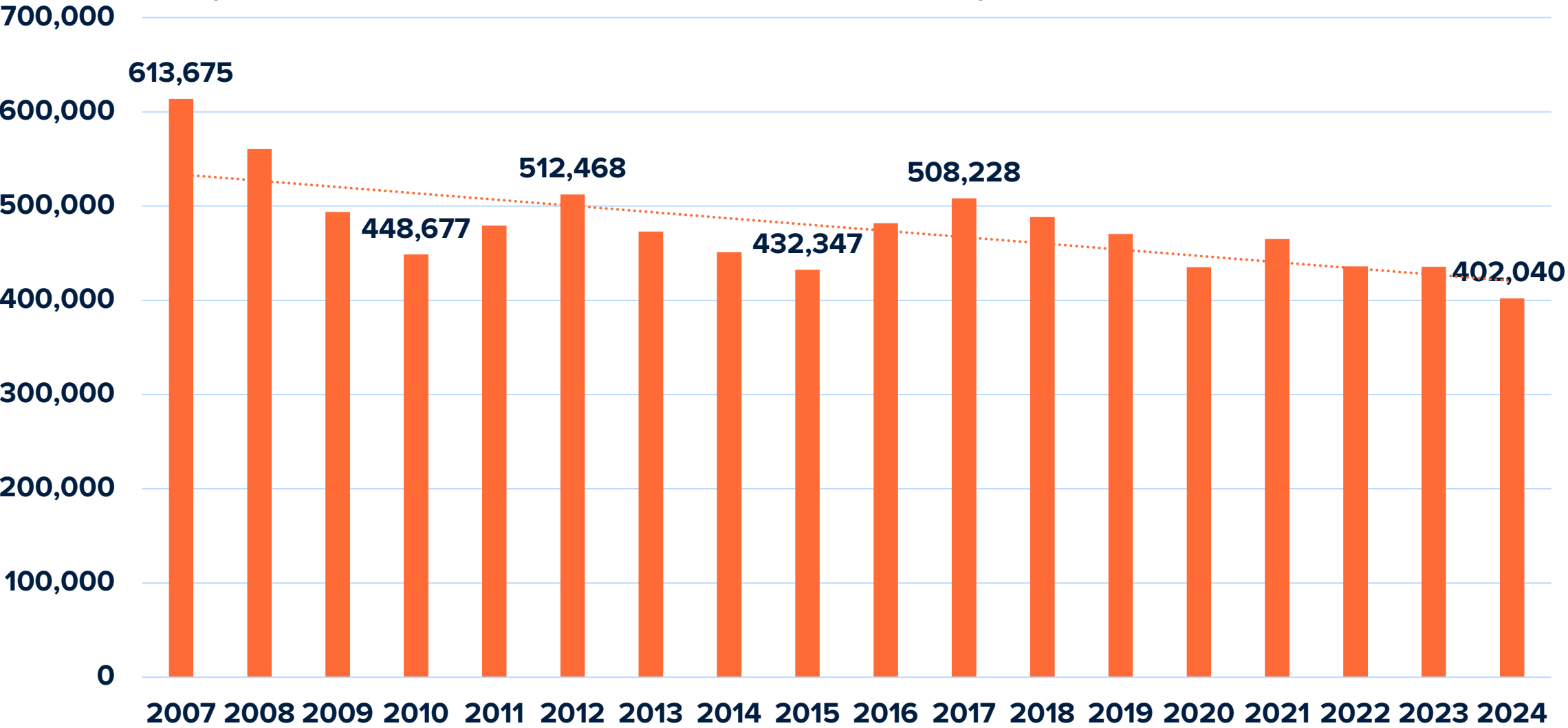


Average Residential Quarterly Bills: Community Comparison (22.9 Units Plus Fees)



City of Troy Water Usage History:

MCF (thousand cubic feet)



Future Rate Structure Considerations

- **Great Lakes Water Authority (GLWA) sells water at-**
 - **60% Annual Fixed Cost**
 - **40% Commodity Charge**
- **Troy has a total of 29,143 Water Meter Customers**
 - **Varying meter sizes- 5/8" to 6"**
 - **Residential vs Commercial/Industrial**
- **Currently no Water Fund Debt**

INTERNAL SERVICE FUNDS

2025-2026 PROPOSED BUDGET

KYLE A. VIETH | CONTROLLER

Internal Service Funds: Building Operations

**Revenues increased 4.0% from
\$1.7 to \$1.8 million**

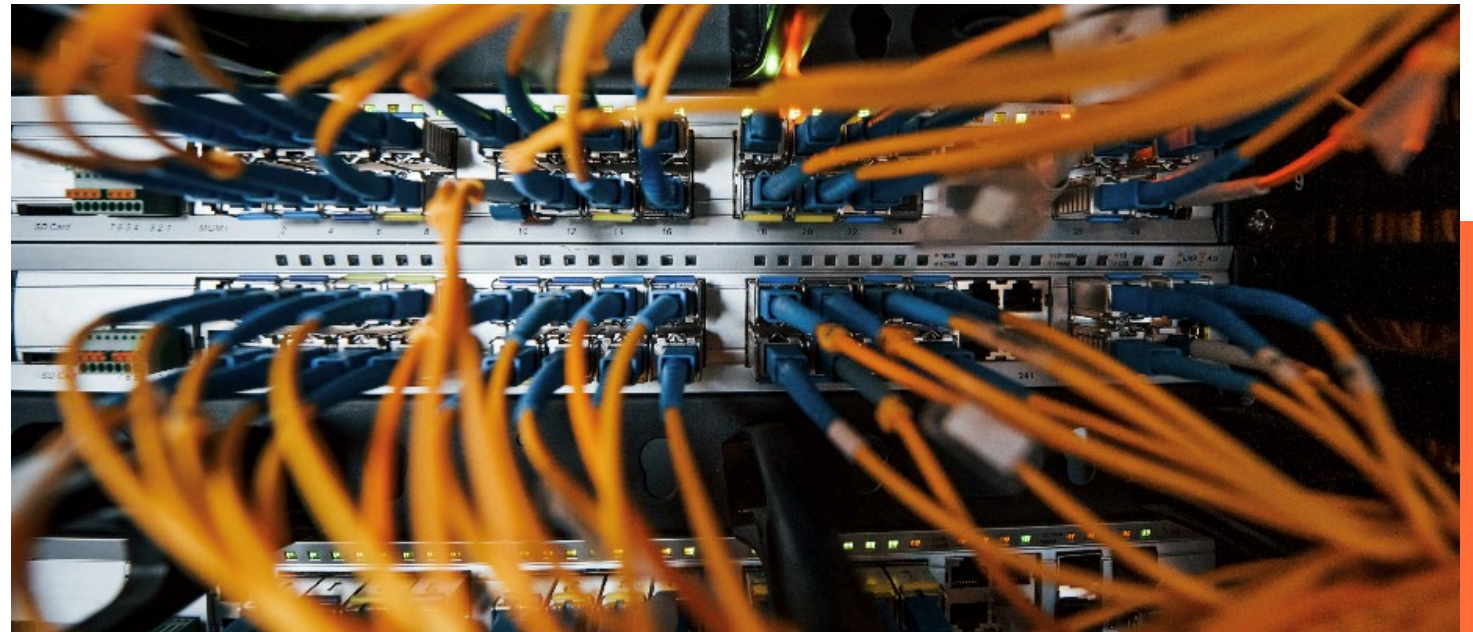
**Expenditures increased 5.7%
from \$1.7 to \$1.8 million**



Internal Service Funds: Information Technology

Revenues increased 4.0% from \$2.6 million to \$2.7 million

Expenditures remain flat at \$2.7 million



Internal Service Funds: Fleet

Revenues remain the same at \$5.9 million

Expenditures also remain the same at \$4.9 million



QUESTIONS & ANSWERS

2025-2026 PROPOSED BUDGET

FRANK A. NASTASI | CITY MANAGER