

# BUDGET PRESENTATION

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**2020/21 PROPOSED BUDGET**

# INTRODUCTION

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## 2020/2021 PROPOSED BUDGET

MARK F. MILLER | CITY MANAGER

# Unique Circumstances

- **These are unprecedented times – We do not fully know what that will mean financially**
  - COVID-19 had created a set of circumstances that struck suddenly, and harshly.
  - We still do not know how much this will impact the overall economy, let alone here in Troy.
  - Because of this, it is incredibly difficult to create a budget that fully takes into account the financial impact in the future.
- **The City is financially sound right now**
  - While we have seen decreases in revenue, we have also seen commensurate decreases in costs.
  - Troy is not reliant on income taxes, sales taxes, or other forms of revenue generation that are more closely tied to the day-to-day economy
  - Our budgets are always very conservative, which offsets unforeseen circumstances
  - The City has a solid fund-balance, as well as enough cash on hand to weather this crisis
- **The proposed budget is built on normal circumstances, but can ALWAYS be amended**

# Budget Highlights

- **The proposed budget calls for a decrease in the City's millage rate**
  - Total millage rate decreases by .2446 mills to 9.9991
- **The proposed budget recommends to create 5 new positions**
  - Currently, City Management is not filling open positions
  - All new positions would only be filled if/when the overall financial impact on the City is understood
- **The proposed budget recommends to increase Water & Sewer rates by 2.8%**
  - Water increase by \$1 per unit to \$41.50
  - Sewer increase by \$.90 per unit to \$29.10
- **The proposed budget recommends \$16.8 million in capital improvements**

# Agenda

## All Funds Summary

### General Fund Summary

- Public Safety
- General Government
- Public Works
- Community Development
- Recreation & Culture

### Special Revenue Funds Summary

- Library
- Major & Local Roads
- Refuse & Recycling

## Enterprise Funds Summary

- Water & Sewer
- Golf
- Aquatics Center

## Capital Projects Fund Summary

- Equipment
- Major & Local Roads
- Building & Land Improvements

## Internal Service Funds Summary

- Fleet
- Facilities & Grounds
- Information Technology

## Debt Service Fund Summary

## Next Steps

# ALL FUNDS

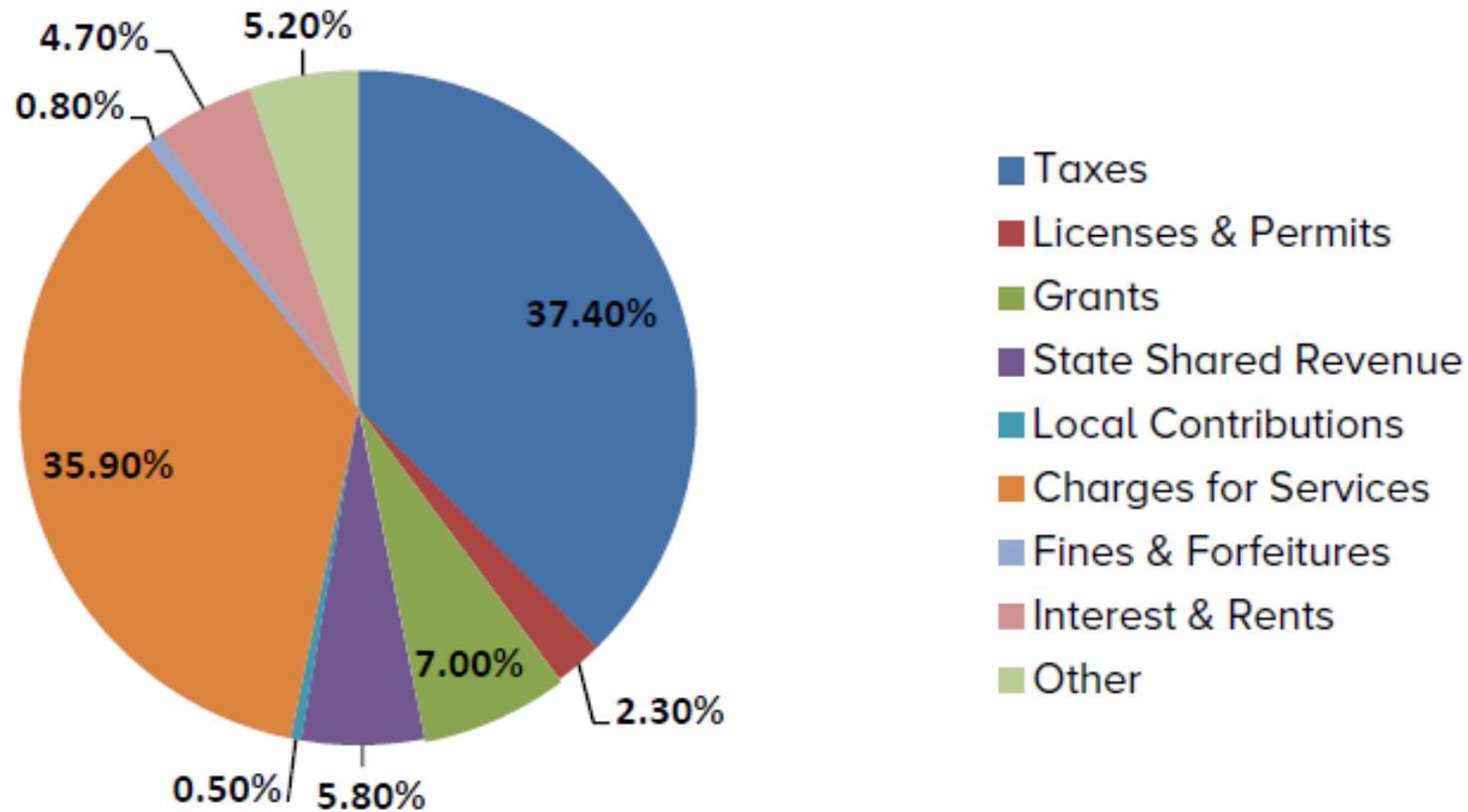
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## 2020/2021 PROPOSED BUDGET

MARK F. MILLER | CITY MANAGER

# All Funds | Revenue

- The 2020/21 budget for all City funds totals \$179.3 million.
- These revenues are spent between 28 different funds, in 6 major groups



# All Funds | Expenditures

## General Fund | 67.8 million

### Special Revenue Funds | 23.4 million

- Major Road maintenance- 8.8 million
- Local Roads maintenance- 4.3 million
- Refuse & Recycling- 5.6 million
- Library- 4.1 million

### Enterprise Funds | 48.0 million

- Water & Sewer- 43.5 million
- Golf & Aquatics Center- 4.5 million

## Capital Project Funds | 16.8 million

- Major and local street projects- \$9.7 million
- Parks Development- \$2.0 million
- Community Center Roof replacement and other- \$1.1 million
- Library Collection Replacement- \$0.6 million
- Sidewalk projects- \$0.5 million
- Historic Village projects- \$0.4 million

## Internal Service Funds | 16.5 million

- Fleet Maintenance- 7.4 million
- Information Technology- 2.4 million
- Compensated Absences- 4.7 million

## Debt Services Funds | 6.7 million

# GENERAL FUND

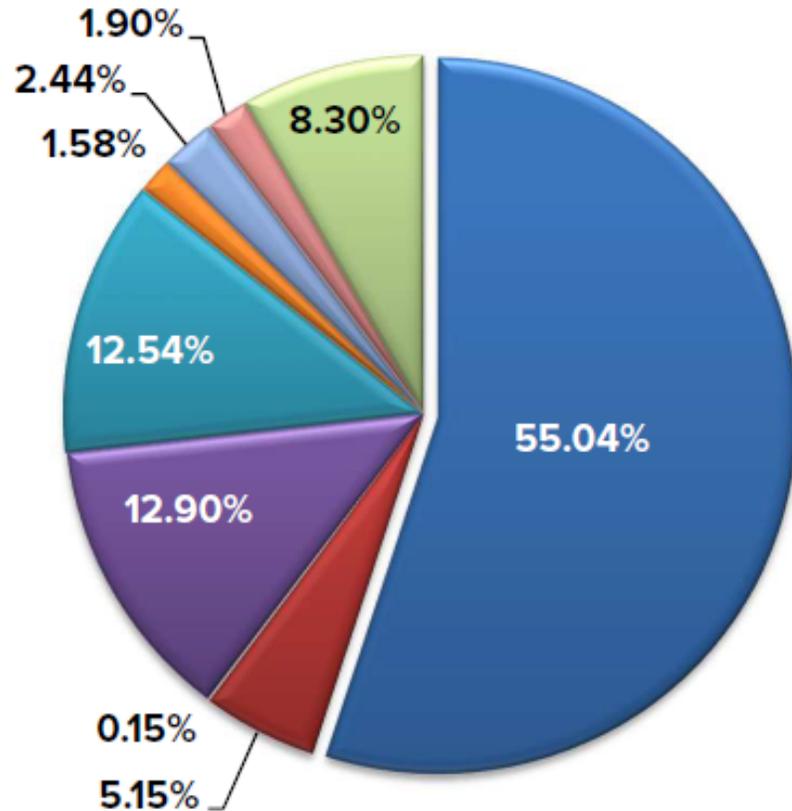
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## 2020/2021 PROPOSED BUDGET

ROBERT C. MALESZYK | CHIEF FINANCIAL OFFICER

# General Fund | Revenue

**General Fund Revenue Sources**



Millions

- Taxes \$35.8
- Licenses and Permits \$3.348
- Federal, State & Local Grants \$0.094
- State Shared Revenue \$8.392
- Charges for Services \$8.155
- Fines & Forfeitures \$1.03
- Interest & Rents \$1.588
- Other Revenues \$1.236
- Other Sources \$5.397

# Tax Revenues

- **In the 2020/21 budget, City property tax revenue of \$35.8 million represents 55.0% of total general fund revenue.**
  - Increase of \$1.5 million or 4.4% to prior year budget.
- **The City's total tax rate of 9.9991 mills decreased by 0.2446 mills compared to the prior year.**
  - Lower debt millage **and mandatory permanent** reductions invoked by the Headlee Amendment.

The operating millage rate of 7.8486 mills (general operating = 6.50 mills and Capital = 1.3486 mills) continues to be below the 8.10 millage rate established by the approved 2008 City Charter amendment.

# Total Millage Rates

Taxing Entity	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Proposed 2020/21
<b>Tax Rate Shown in Mills</b>								
Troy School District	10.07	10.07	9.69	10.10	10.33	10.33	10.30	10.23
Oakland County Gov.	4.65	4.65	4.55	4.49	4.49	4.49	4.45	4.48
O.C. Comm. College	1.58	1.58	1.58	1.57	1.56	1.56	1.54	1.53
Intermediate School Dist.	3.37	3.37	3.36	3.34	3.31	3.31	3.28	3.25
S.M.A.R.T.	0.59	0.59	1.00	0.99	0.99	0.99	1.00	0.99
State Education	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Zoo	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
O.C. Art Institute	0.20	0.20	0.20	0.20	0.20	0.20	0.19	0.19
<b>City of Troy</b>	<b>10.52</b>	<b>10.50</b>	<b>10.50</b>	<b>10.40</b>	<b>10.36</b>	<b>10.30</b>	<b>10.24</b>	<b>10.00</b>
<b>Total - Millage Rates</b>	<b>37.08</b>	<b>37.06</b>	<b>36.98</b>	<b>37.19</b>	<b>37.34</b>	<b>37.28</b>	<b>37.10</b>	<b>36.77</b>

Millage rates are estimated for other taxing jurisdictions.

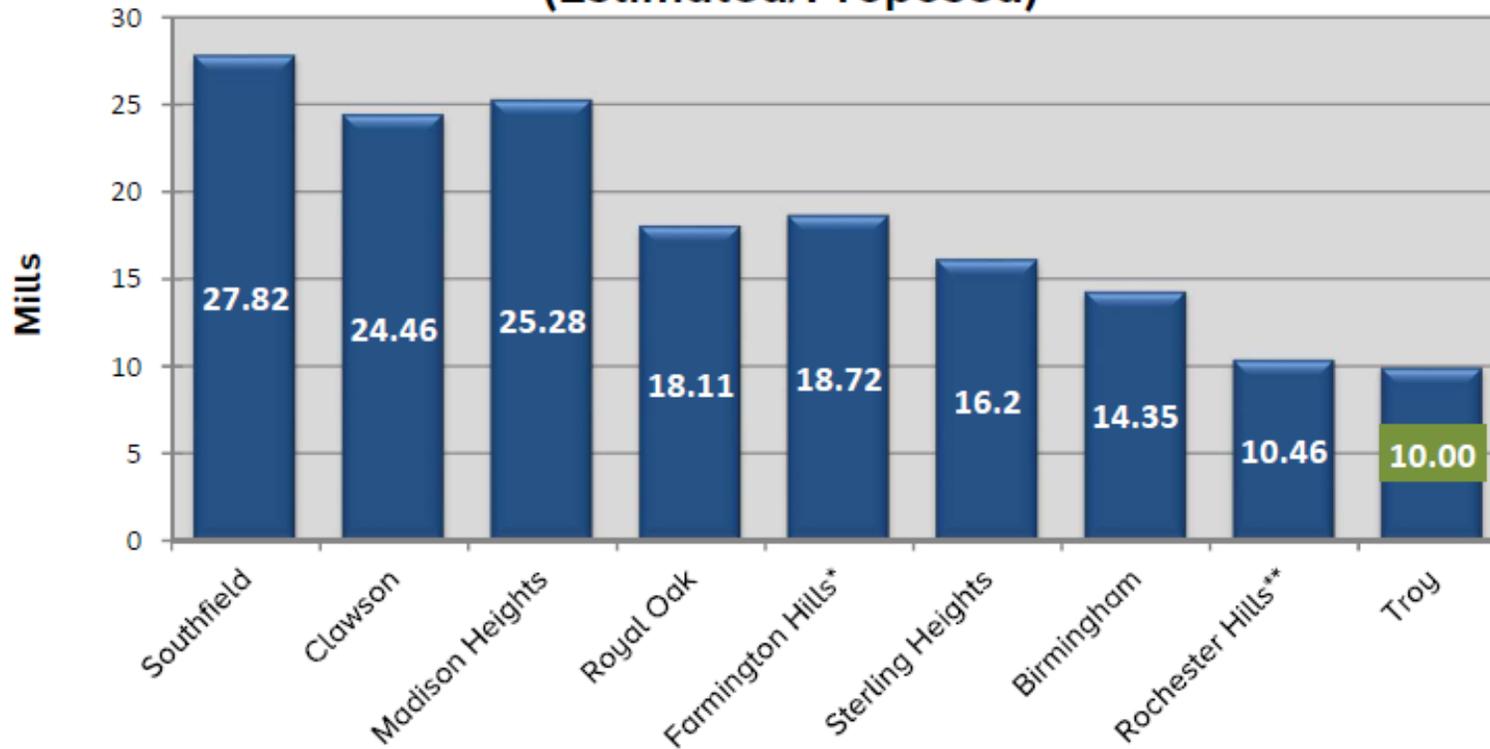
Average Residential Taxable Value	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Proposed 2020/21
	99,172	102,190	105,888	108,371	114,222	116,865	124,400	126,767

# City Millage Rates

	2015/16	2016/17	2017/18	2018/19	2019/20	Proposed 2020/21	Proposed 2021/22	Proposed 2022/23
General Operating	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000
Capital	1.5300	1.5300	1.4949	1.4381	1.3896	1.3486	1.3486	1.3486
Refuse	1.0700	1.0700	1.0700	1.0700	1.0900	1.0900	1.0900	1.0900
Debt	0.7000	0.6000	0.6000	0.6000	0.5800	0.3800	TBD	TBD
Library	0.6974	0.6989	0.6934	0.6884	0.6841	0.6805	TBD	TBD
<b>Total</b>	<b>10.4974</b>	<b>10.3989</b>	<b>10.3583</b>	<b>10.2965</b>	<b>10.2437</b>	<b>9.9991</b>	<b>8.9386</b>	<b>8.9386</b>

# Millage Rates | Comparisons

**Comparison of Municipal Millage Rates For FY 2020  
(Estimated/Proposed)**

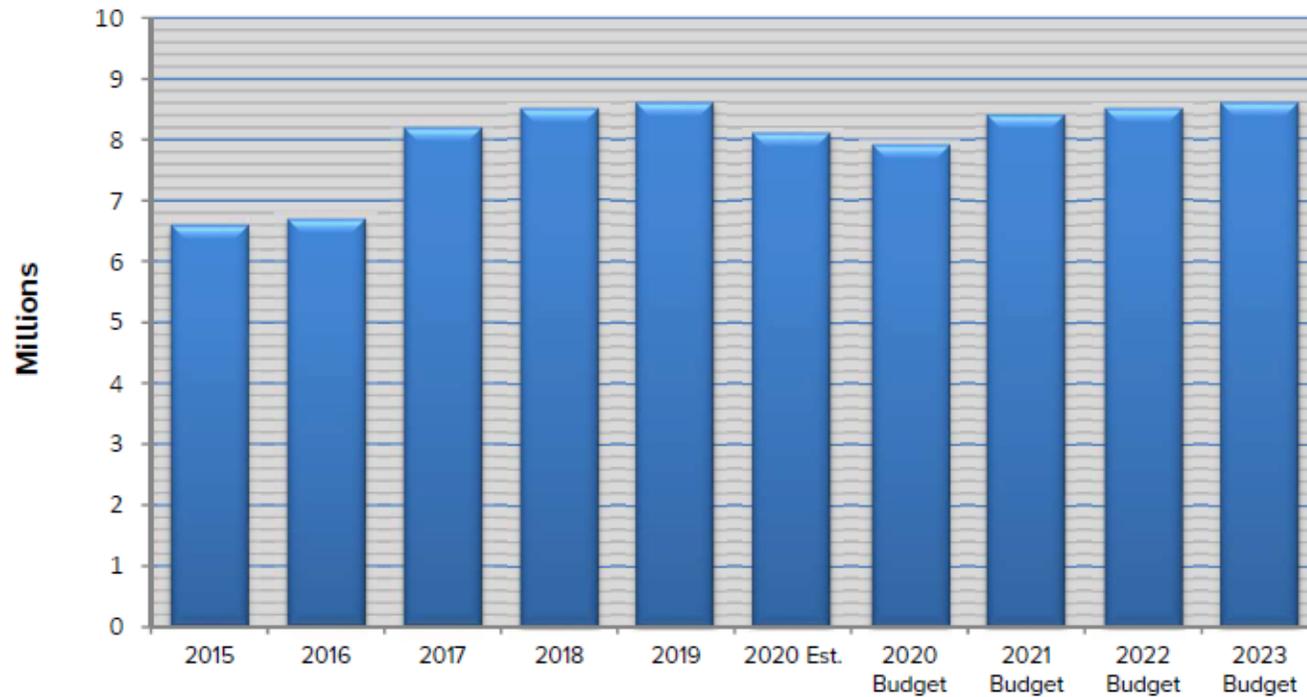


\*Does not include a Library millage

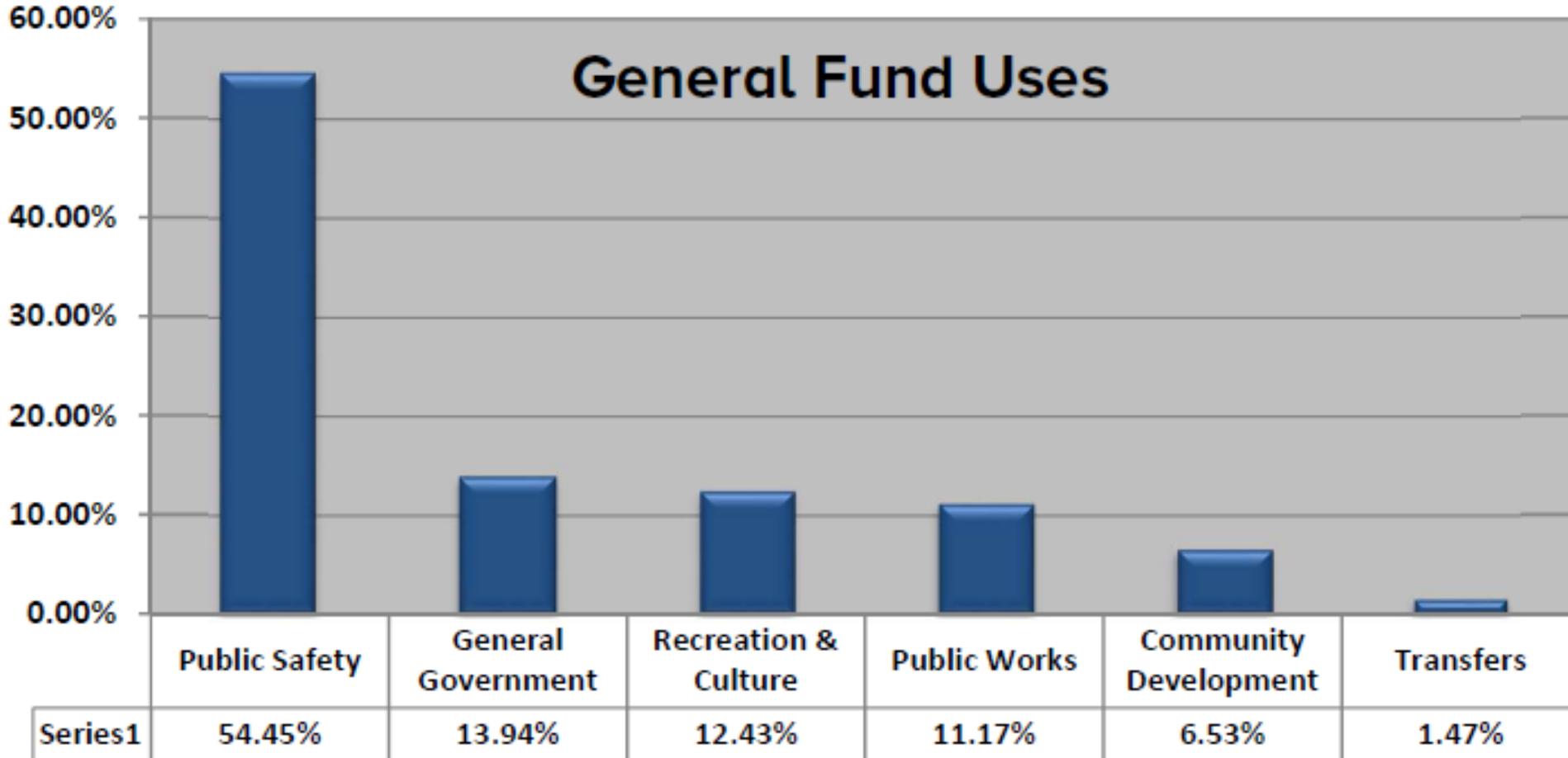
\*\*Does not include a refuse millage

# State Shared Revenue

- State revenue sharing is the return of a percentage of the 6% state sales tax to local units of government. For the 2020-2021 Fiscal year, we estimate \$8.4 million.
- A trend of modest increases in State Shared Revenues since fiscal 2011. It should be noted however that these revenues were over \$8 million annually in the early 2000's.



# General Fund | Expenditures



# General Fund | Highlights

- **The 2020/21 General Fund budget is \$67.8 million, an increase of \$1.8 million or 2.9%.**
- **Personnel Services** is the largest category of the General Fund Expenditures. Salary & Wages of \$25.0 million increased \$1.0 million, or 4.4%.
  - due to normal annual wage and union step increases
  - Two settled union contracts
  - The City also implemented merit pay for classified and exempt employees.
- **4.5 new staff positions are proposed**
  - 1 Police School Resource Officer (with partial funding from TSD)
  - 1 Police Lieutenant
  - 1 Planner
  - 1 Recreation Supervisor (reclassified from PT to FT)
  - .5 Marketing Coordinator (Library & Recreation both with 1 FT now)

# General Fund | Highlights

- **FICA, Healthcare, Workers Comp, Sick and Vacation** costs of \$11.3 million increased \$0.9 million primarily due to increased healthcare and worker's comp claims (the City is Self-Insured) incurred in the current fiscal year that increased illustrative rates for the subsequent year.
- **Supplies** are budgeted at \$3.1 million representing an increase of \$0.1 million or 3.7%. The increase is primarily in the area of repairs and maintenance along with expendable repairs & equipment.
- **Other Services/Charges** of \$20.9 million increased \$1.5 million or 8.1% due primarily to professional and contractual services for building maintenance internal service charges, contractual services for custodial maintenance charges and engineering services and internal rent charges for fleet division charges.

# General Fund | Public Safety

- **Public Safety expenditures of \$36.9 million increased \$1.6 million or 4.6%.**
- **Police Department** increased \$0.8 million or 3.0%
  - personal services cost increases from negotiated labor contracts and the addition of two FTE's from the prior budget.
- **Fire Department** increased \$0.6 million or 10.8% due primarily to personal services cost increases from negotiated labor contracts and the increase in the City's contribution for the VFIP plan.

# General Fund | General Government

- **General Government expenditures of \$9.5 million increased \$0.3 million or 2.7%.**
  - Includes City Manager, City Attorney, Human Resources, and all Financial Services
  - The increase was due primarily to the increase in election expenses, \$0.1 million, because of the additional elections in the fiscal year including the Presidential election.



# General Fund | Public Works

- **Public Works expenditures of \$7.6 million increased \$0.1 million or 0.8%.**
  - Included in this slight increase is street maintenance major roads and total expenditures for drains.
  - It should be noted that the Major and Local Street funds reimburse the General Fund for Street Maintenance expenditures.



# Public Works | Streets & Drains

## Local Road Maintenance | \$2.5 Million

- Snow & Ice Control- \$733k
- Drain Structures- \$557k
- Surface Maintenance- \$526k

## Major Road Maintenance | \$2.6 Million

- Surface Maintenance- \$700k
- Snow & Ice Control- \$560k

## County Road Maintenance | \$540k

- Snow & Ice Control- \$500k
- RCOC contributes \$292k

## Drains | \$736k

- Retention Ponds and Rear Yard Drains- \$254k
- Storm Sewers- \$173k

# General Fund | Community Development

- **Community Development expenditures of \$4.4 million increased \$0.6 million or 15.7%.**
  - Included in this increase is the Engineering Department that includes an additional \$0.4 million for contracted services for Engineering consultants.
  - This increase is due to being underfunded in the previous few years and the continued increase in demand for the Engineering Department.
  - Also includes 1 new FT employee in Planning to assist the Planning Director with the Master Plan review, day-to-day Planning activities, and to manage community engagement related to Planning.

# General Fund | Recreation & Culture

- **Recreation and Culture expenditures of \$8.4 million increased \$0.3 million or 4.5%.**
  - The increase is due primarily to the Recreation department of \$0.3 million or 5.7%.
  - This budget center added 1.5 FTE's to improve the customer service to the community, improve communications and marketing, and stabilize the Recreation & Library Departments with these additional full time personnel.
  - **This budget area includes the Recreation Department, Parks, the Historic Village, the Nature Center, etc. Does NOT include the Library – is it's own fund due to dedicated funding source**

# General Fund | Recreation Department

## Revenue

- Use/Admin Fees - \$3.0 million
- Rent/Facilities - \$650 thousand
- Maintenance/Others - \$150 thousand
- Total Revenues - \$3.8 million

## Expenses

- Community Center - \$2.6 million
- Administration - \$820 thousand
- Recreation – \$1 million
- Senior Services - \$334 thousand
- Total - \$4.8 million

**The Community Center continues to bring in nearly 80% of their expenditures through various charges for service, rent, and other source. The additional 20% is covered through the General Fund.**

# General Fund | Parks

- **Parks expenditures of \$3.2 million, up 3.4% from the previous fiscal year.**
- **Key components of this budget include:**
  - Parks Maintenance - \$943k
  - Local tree maintenance & planting - \$789k
  - Athletic field maintenance - \$304k



# General Fund | Transfers Out

- **Operating Transfers Out to the Capital Projects Fund of \$1.0 million decreased \$1.0 million or 50%.**
  - This decrease is due to less available funds in the General Fund to be transferred out to support capital projects.
  - These funds will be used to support the Major Roads Capital Projects in 2021.

# SPECIAL REVENUE FUNDS

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2020/2021 PROPOSED BUDGET

ROBERT J. BRUNER | ASSISTANT CITY MANAGER

# Special Revenue Funds | Library

Performance Indicator	2017/18 Actual	2018/19 Actual	2019/20 Projected	2020/21 Budget
Annual Library Visits	406,455	377,100	425,137	430,000
Items Circulated	1,190,812	1,264,109	1,300,000	1,325,000
Program Attendance	28,560	28,490	42,168	43,000
New Library Cards Added	9,344	15,691	22,023	20,000
Total Number Library Cards	58,598	52,282	58,000	60,000
Electronic Resources Usage	100,810	107,920	110,000	115,000
Annual Visits/Capita	5.02	4.66	5.25	5.35
Annual Circulation/Capita	15	16	16	16
Hits on Library Website	464,853	541,703	550,000	575,000
Social Media Followers	4,889	5,241	6,000	6,250
Number of Library Volunteers	175	175	175	175

# Special Revenue Funds | Library

- **Budgeted revenue of \$3.74 million or 1.29% increase from the previous budget**
- **Budgeted expenditures of \$4.13 million or 2.82% increase from the previous budget**
  - Includes addition of a FT Marketing Coordinator, which replaces PT.
- **Expected shortfall of \$392 thousand, bringing the Library Fund Balance to \$27,209 by the end of the fiscal year.**

**The current, Headlee reduced, millage does not cover the operational needs of the Library Department.**

**Millage set to expire in 2021, and a new millage should take into account the operational and capital needs of the service.**

# Special Revenue Funds | Roads

- Major Roads budgeted revenues of 7.0 million, or an 6.79% increase from the previous fiscal year.
- Local Roads budgeted revenues of 4.2 million, or an 4.23% increase from the previous fiscal year.
- **These revenues reimburse the General & Capital Funds for maintenance and improvements on Major & Local Roads**
- Transfers out from Major and Local Street funds to General Fund of \$5.4 million increased \$0.1 million or 1.2%. These transfers are for reimbursement for maintenance.
- Capital projects for Major and Local Street improvements are budgeted at \$9.7 million, or an 49% increase from the previous fiscal year (\$6.5 million).

# Special Revenue Funds | Major Roads

	2018 Actual Amount	2019 Actual Amount	2020 Estimated Amount	2020 Amended Budget	2021 Proposed	% Change	2022 Proposed	2023 Proposed
<b>Fund: 202 MAJOR STREET FUND</b>								
<b><u>REVENUE</u></b>								
Grants	\$ 6,098,323	\$ 6,871,404	\$ 6,566,100	\$ 6,566,100	\$ 6,976,570	6.25%	\$ 7,185,870	\$ 7,185,870
Interest & Rent	4,321	148,805	50,000	14,000	50,000	257.14%	50,000	50,000
<b>Department Total: Revenue</b>	<b>6,102,644</b>	<b>7,020,210</b>	<b>6,616,100</b>	<b>6,580,100</b>	<b>7,026,570</b>	<b>6.79%</b>	<b>7,235,870</b>	<b>7,235,870</b>
<b><u>EXPENDITURE</u></b>								
<b>Department: 966 Transfers Out</b>								
<b>OTHER FINANCING USES</b>								
Other Financing Uses	5,827,137	5,640,530	6,612,860	7,071,210	8,776,101	24.11%	6,630,602	6,685,663
<b>Department Total: Transfers Out</b>	<b>5,827,137</b>	<b>5,640,530</b>	<b>6,612,860</b>	<b>7,071,210</b>	<b>8,776,101</b>	<b>24.11%</b>	<b>6,630,602</b>	<b>6,685,663</b>
Surplus (Use) of Fund Balance	275,507	1,379,680	3,240	(491,110)	(1,749,531)	256.24%	605,268	550,207
Beginning Fund Balance	3,733,545	4,009,053	5,388,733	5,388,733	5,391,973	0.06%	3,642,442	4,247,710
<b>Ending Fund Balance</b>	<b>\$ 4,009,053</b>	<b>\$ 5,388,733</b>	<b>\$ 5,391,973</b>	<b>\$ 4,897,623</b>	<b>\$ 3,642,442</b>	<b>-25.63%</b>	<b>\$ 4,247,710</b>	<b>\$ 4,797,917</b>

# Special Revenue Funds | Local Roads

	2018 Actual Amount	2019 Actual Amount	2020 Estimated Amount	2020 Amended Budget	2021 Proposed	% Change	2022 Proposed	2023 Proposed
<b>Fund: 203 LOCAL STREET FUND</b>								
<b><u>REVENUE</u></b>								
Grants	\$ 2,184,860	\$ 2,331,116	\$ 2,591,650	\$ 2,591,650	\$ 2,753,650	6.25%	\$ 2,836,260	\$ 2,836,260
Interest & Rent	3,978	96,242	32,000	20,000	32,000	60.00%	32,000	32,000
<b>OTHER FINANCING SOURCES</b>								
Other Financing Sources	1,000,000	1,000,000	1,500,000	1,500,000	1,500,000	0.00%	1,500,000	1,500,000
<b>Department Total: Revenue</b>	<b>3,188,839</b>	<b>3,427,357</b>	<b>4,123,650</b>	<b>4,111,650</b>	<b>4,285,650</b>	<b>4.23%</b>	<b>4,368,260</b>	<b>4,368,260</b>
<b><u>EXPENDITURE</u></b>								
<b>Department: 966 Transfers Out</b>								
<b>OTHER FINANCING USES</b>								
Other Financing Uses	2,977,267	3,396,933	3,613,183	4,043,500	4,282,345	5.91%	4,043,704	4,100,068
<b>Department Total: Transfers Out</b>	<b>2,977,267</b>	<b>3,396,933</b>	<b>3,613,183</b>	<b>4,043,500</b>	<b>4,282,345</b>	<b>5.91%</b>	<b>4,043,704</b>	<b>4,100,068</b>
Surplus (Use) of Fund Balance	211,572	30,424	510,467	68,150	3,305	-95.15%	324,556	268,192
Beginning Fund Balance	2,802,499	3,014,071	3,044,495	3,044,495	3,554,962	16.77%	3,558,267	3,882,823
<b>Ending Fund Balance</b>	<b>\$ 3,014,071</b>	<b>\$ 3,044,495</b>	<b>\$ 3,554,962</b>	<b>\$ 3,112,645</b>	<b>\$ 3,558,267</b>	<b>14.32%</b>	<b>\$ 3,882,823</b>	<b>\$ 4,151,015</b>

# Special Revenue Funds | Refuse & Recycling

- **The Refuse Fund is primarily funded through tax dollars from a dedicated millage. The proposed millage for the 2020/2021 budget calls for no increases for a total of 1.09 mills.**
  - Revenues are expected to increase by 4.2% to \$5.67 million
- **The 2020/21 budgeted expenditures of \$5.58 million have increased \$0.2 million or 2.9%.**
  - Budget projects a surplus of \$83k, bringing the year-end fund balance to \$889k
  - The average cost per resident in 2021 is estimated to \$138 for the year.

# **BREAK**

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## **2020/2021 PROPOSED BUDGET**

# ENTERPRISE FUNDS

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## 2020/2021 PROPOSED BUDGET

ROBERT J. BRUNER | ASSISTANT CITY MANAGER

# Enterprise Funds | Water & Sewer

- **The Water and Sewer Fund is a completely self-supporting activity that does not receive funding from property taxes or any other City fund.**
- **The combined water/sewer rates are recommended to increase from \$68.70 to \$70.60 per mcf, an increase of \$1.90 or 2.8%.**
  - The average residential customer uses 3.9 MCF per quarter, which equates to a quarterly bill of \$275.34. This would be an increase of \$7.41 per quarter per average residential customer. Despite the increase, the City of Troy still maintains one of the lowest rates in the area.
- **The budget was developed under the assumption of 470,000 mcf in unit sales. Due to the fixed cost nature of these systems, actual results could vary significantly based on unit sale volumes.**

# Water & Sewer Rates

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Budget	Budget	Budget
	Rates	2020/21	2021/22	2022/23						
								Rates	Rates	Rates
Water	\$30.35	\$31.00	\$34.40	\$38.50	\$39.30	\$39.30	\$40.50	\$41.50	\$42.50	\$43.80
Sewer	\$24.80	\$24.80	\$25.30	\$25.30	\$26.60	\$27.40	\$28.20	\$29.10	\$30.00	\$31.00
<b>Total</b>										
<b>Rate</b>	<b>\$55.15</b>	<b>\$55.80</b>	<b>\$59.70</b>	<b>\$63.80</b>	<b>\$65.90</b>	<b>\$66.70</b>	<b>\$68.70</b>	<b>\$70.60</b>	<b>\$72.50</b>	<b>\$74.80</b>
Rate										
Increase	\$ -	\$ 0.65	\$ 3.90	\$ 4.10	\$ 2.10	\$ 0.80	\$ 2.00	\$ 1.90	\$ 1.90	\$ 2.30
Percent	0.0%	1.2%	7.0%	6.9%	3.3%	1.2%	3.0%	2.8%	2.7%	3.2%
Average Quarterly Consumer Billing based on 3.9 mcf:						\$260.13	\$267.93	\$275.34	\$282.75	\$291.72
Increase Per Quarterly Billing							\$7.80	\$7.41	\$7.41	\$8.97

# Water & Sewer | Rates Comparison

2020 Average Quarterly Bill



\*based on the average residential usage of 25 units of water per quarter.

# Water & Sewer | Capital Projects

- Capital expenditures budgeted for both systems include \$3.2 million for water and \$7.5 million for sanitary sewer.
- Water capital expenditures include improvements on Indusco Court (\$1.1 million), Orchard Trail (\$0.6 million), and Naughton, Wheaton to Piedmont (\$0.4 million).
- Sewer capital expenditures include improvements for Evergreen Correction Plan (\$4.0 million) and Big Beaver Relief Sewer (\$2.5 million).

# Enterprise Funds | Golf

Performance Indicators	2017/18 Actual	2018/19 Actual	2019/20 Projected	2020/21 Budget
Sylvan Glen Rounds	45,848	43,921	46,000	46,790
Sanctuary Lake Rounds	41,700	36,500	40,580	40,290

# Sylvan Glen Golf

- **Sylvan Glen golf revenues expected to increase by 2% to \$1.32 million.**
- **Sylvan Glen golf expenditures expected to decrease by 24% to \$1.23 million**
  - The decrease is primarily due to an 80% reduction in capital expenditures for the golf course, bringing the 2021 capital cost down to \$108k.
- **2021 budget projects a surplus of \$102k, bringing the year-end fund balance to \$6.15 million.**

# Sanctuary Lake Golf

- **Sanctuary Lake golf revenues expected to increase by 3% to \$1.74 million.**
- **Sanctuary Lake golf operating and capital expenditures expected to increase by 7% to \$1.62 million**
  - The increase is due to an increase in capital expenses of \$37k, bringing the total capital cost to \$106k for 2021
- **Sanctuary Lake golf produces an operating surplus of \$114k**
  - This excludes the outstanding debt, which requires a payment of \$861k for 2021, which is covered outside of the operating revenues of Sanctuary Lake.
- **In total, Sanctuary Lake has a fund balance of \$(8.04) million due to its outstanding debt to the City.**
  - This deficit is paid back from any surpluses above the operating and capital expenses in a given fiscal year.
  - Over time, this debt will be repaid, assuming that Sanctuary Lake remains cash-positive over the long-term.

# Enterprise Funds | Aquatic Center

Performance Indicators	2017/18 Actual	2018/19 Actual	2019/20 Projected	2020/21 Budget
Aquatic Center Admissions	40,136	41,681	40,025	39,875
Season Pass Attendance	14,007	13,075	13,425	12,670
Swim Lesson Registrations	546	566	510	485
Residents Daily Visits	10,837	10,716	10,110	10,013
Non-Resident Daily Visits	15,292	17,890	16,075	15,111

# Aquatic Center

- **Aquatic Center revenues expected to increase by 3% to \$617k.**
- **Aquatic Center expenditures expected to increase by 20% to \$764k.**
  - The operating expenses are projected at 564k, a 5% increase from 2020.
  - The increase in expenditures is primarily due to an increase capital expenditures up to 200k.
- **2021 budget projects a deficit of 147k, bringing the year-end fund balance to 534k.**
- **Year-over-year, the on-going capital expenditures required to maintain the Aquatics Center are significantly higher than the operating profit of the Aquatics Center.**

# CAPITAL FUND

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## 2020/2021 PROPOSED BUDGET

ROBERT C. MALESZYK | CHIEF FINANCIAL OFFICER

# Capital Projects Fund

## Many Needs

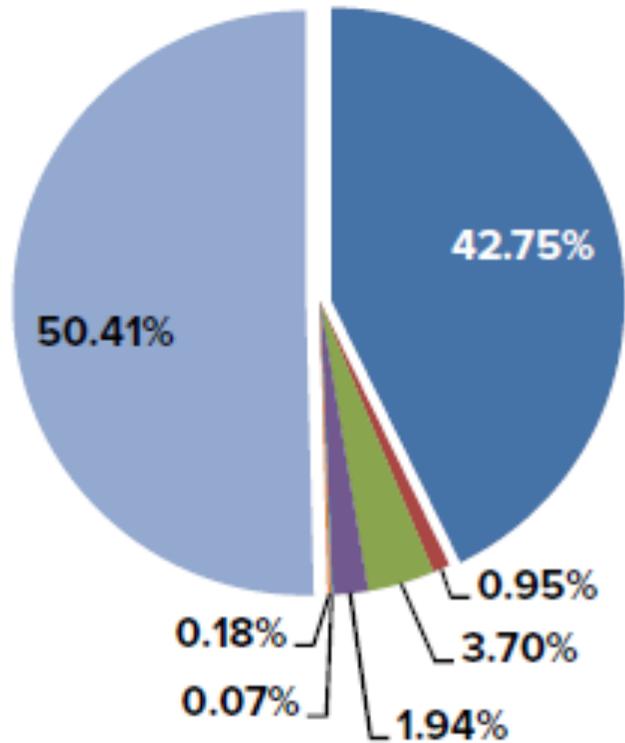
- The City has more needs than dollars to spend. Must make difficult choices

## Current Funding

- The proposed budget includes \$16.8 million in the Capital Projects Fund, an increase of 6.23% from the previous year.
- Capital millage rate will be 1.3486 - Generating approximately \$7.1 million in 2020/2021.
- Major & Local Streets transfer-in of \$6.5 million.
- General Fund transfer-in of \$1.0 million.

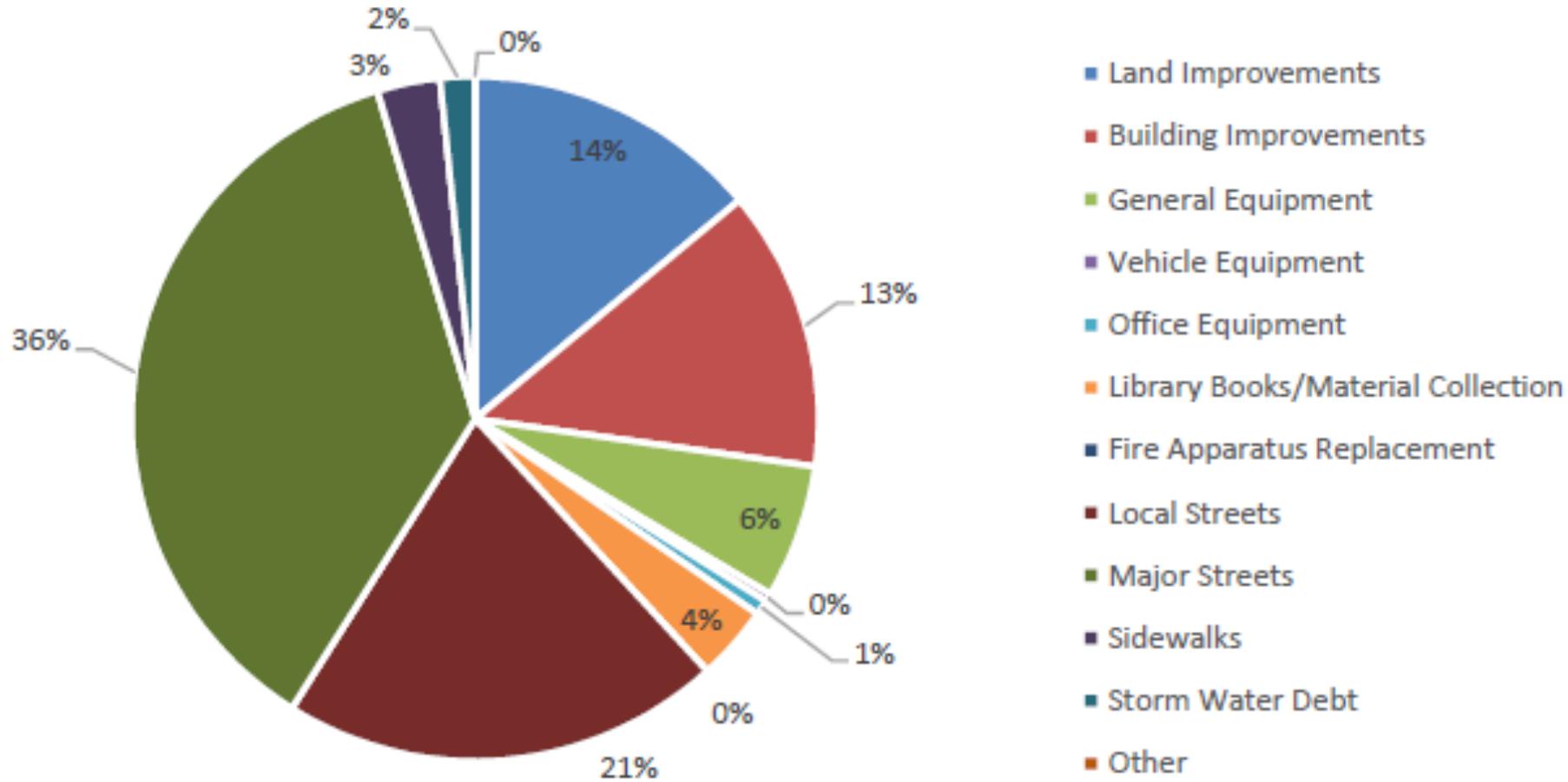


# Capital Projects Fund | Revenues



- Taxes \$7.172
- Grants \$0.16
- Contributions \$0.62
- Charges for Services \$0.326
- Interest and Rents \$0.011
- Other Revenue \$0.03
- Transfers In \$8.459

# Capital Projects Fund | Expenditures



# Capital Projects Fund | Categories

	2021		
	Proposed	2022 Proposed	2023 Proposed
Land Improvements	\$ 2,355,000	\$ 1,865,000	\$ 1,300,000
Building Improvements	2,234,000	4,240,000	3,151,000
General Equipment	1,065,500	420,000	206,500
Vehicle Equipment	65,000		-
Office Equipment	120,000	80,000	160,000
Library Books/Material Collection	595,000	600,000	600,000
Fire Apparatus Replacement	-	1,268,000	1,500,000
Streets:			
Local Streets	3,500,000	3,500,000	3,500,000
Major Streets	6,140,000	6,425,000	6,940,000
Sidewalks	500,000	500,000	500,000
Storm Water Debt	269,750	214,230	171,300
Other	5,000	5,000	5,000
<b>Total Capital Projects</b>	<b>\$ 16,849,250</b>	<b>\$ 19,117,230</b>	<b>\$ 18,033,800</b>

# Capital Projects Fund | Equipment

## Library | \$595,000

- Books and Materials- \$595k



## Police Department | \$604,000

- Mobile Digital Computer Replacement- \$260k



# Capital Projects Fund | Major & Local Roads

## Major Streets | \$6,228,000

- Square Lake, Coolidge to Crooks- \$800k
- Square Lake, Adams to Coolidge- \$1.1 million
- Industrial Road Maintenance- \$1.5 million

## Local Streets | \$3,500,000

- Concrete Slab Replacement- \$1.5 million
- Asphalt Mill and Overlay- \$2.0 million



# Capital Projects Fund | Building & Land Improvements

## **Parks | \$2,015,000**

- Trails and Pathways- \$750k
- Civic Center Parking Lot Demolition- \$500k
- Boulan Park Tennis Court Resurfacing- \$275k

## **City Buildings | \$737,000**

- Training Center Improvements- \$192k
- District Court Repairs- \$100k
- Access Control/Security Camera- \$300k

## **Historic Village | \$404,000**

- Stamped Concrete Walkways- \$130k
- Exterior Building Repairs and Painting- \$150k
- School House and General Store  
Roof Replacement- \$124k

## **Fire Department | \$160,000**

- Roof Replacement Station 2 \$95k

# INTERNAL SERVICE FUNDS

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2020/2021 PROPOSED BUDGET

MARK F. MILLER | CITY MANAGER

# Internal Service Funds | Fleet

- **Fleet revenues expected to increase by 4% to \$5.0 million.**
- **Fleet expenditures expected to increase by 15% to \$7.35 million.**
  - The increase is due to an increase in capital expenses to update the fleet
- **2021 Fleet budget projects a deficit of \$2.33 million, bringing the year-end fund balance to \$8.9 million.**

# Internal Service Funds | Building Operations

- Building Operations revenues expected to increase by 11% to \$1.47 million.
- Building Operations expenditures expected to increase by 4% to \$1.38 million.
- 2021 Building Operations budget projects a surplus of \$92k, bringing the year-end fund balance to \$1.12 million.

# Internal Service Funds | Information Technology

- **Information Technology revenues expected to increase by 3% to \$2.26 million.**
- **Information Technology operating expenditures expected to increase by 2% to \$2.09 million.**
  - Budget also accounts for \$150k in capital expenditures
- **2021 Information Technology budget projects a deficit of \$21k, bringing the year-end fund balance to \$1.19 million.**

# DEBT SERVICE FUND

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2020/2021 PROPOSED BUDGET

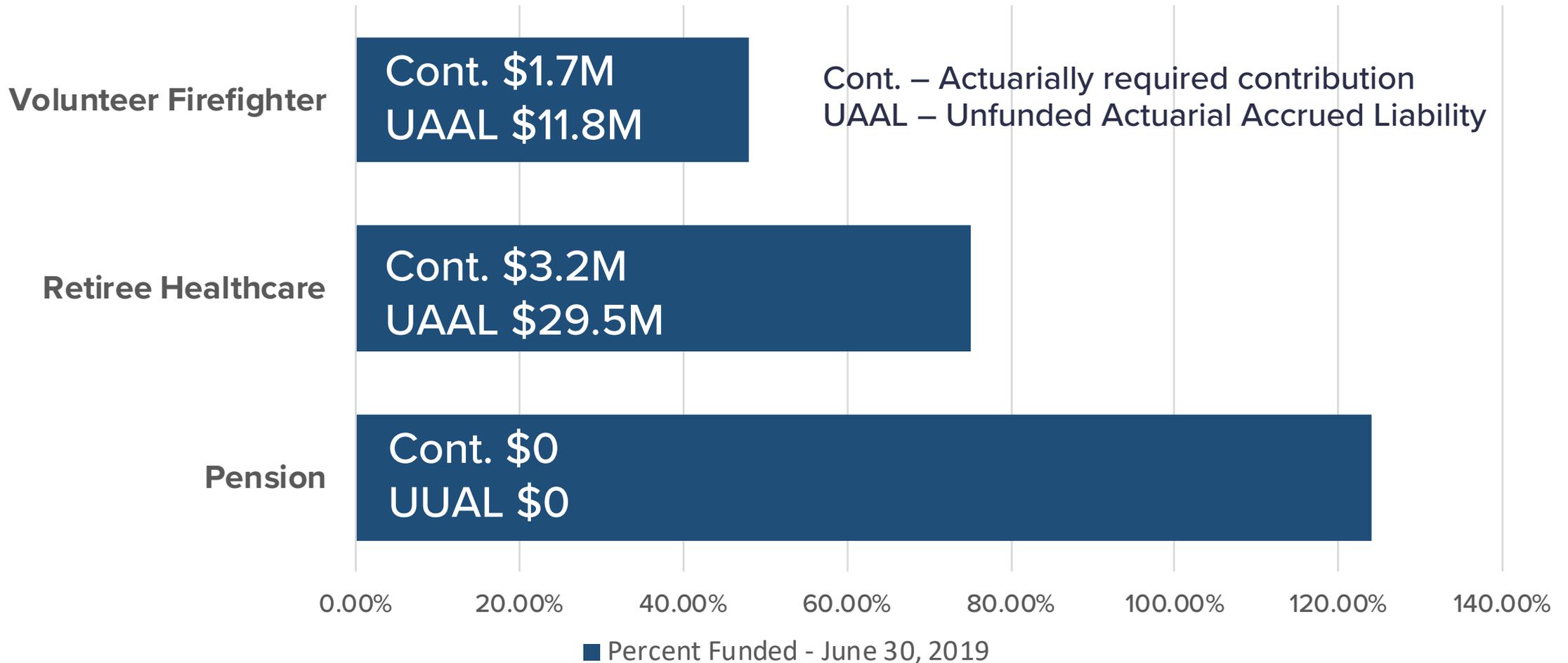
ROBERT C. MALESZYK | CHIEF FINANCIAL OFFICER

# Debt Service Fund

- **The voter approved Debt Service Funds (Proposals A, B & C) generate their revenue by applying 0.38 mills times the taxable value.**
- **The debt service requirements budgeted for the 2020/21 fiscal year is \$2.81 million.**
- **The Series 2013 DDA Debt is financed by transfers from the DDA.**
  - The total debt outstanding estimated at 6/30/2020 is \$13.4 million and is scheduled to be paid off by 2034. The debt service requirement budgeted for the 2020/21 fiscal year is \$1.0 million.

# Retirement & OPEB Liabilities

Percent Funded - June 30, 2019



# NEXT STEPS

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## 2020/2021 PROPOSED BUDGET

MARK F. MILLER | CITY MANAGER

# Next Steps

**In the past City Council held two budget special meetings in April to receive, discuss and provide direction regarding the proposed budget. The COVID-19 pandemic present challenges to City Administration and City Council.**

- The Governor's Orders make in-person meetings impossible for some unknown time. We plan to schedule in-person meetings when normal operations resume.
- City Council may want to schedule additional remote budget special meetings.
- The City Charter requires City Council to adopt the fiscal year 2020-2021 budget on or before May 18, 2020. A budget public hearing will be scheduled for May 11, 2020 City Council meeting.
- City Council may have to adopt this budget without the benefit of in-person meetings but can amend the budget at any time. We recommend that City Council discuss and potentially amend this budget in the future.
- It is difficult for City staff to answer questions and facilitate discussion in a remote City Council meeting. We will do our best!
- We encourage City Council Members and members of the public to review the budget and submit questions in writing to [CityManager@troymi.gov](mailto:CityManager@troymi.gov).