



500 West Big Beaver
Troy, MI 48084
troymi.gov

FROM THE OFFICE OF THE CITY MANAGER

July 27, 2020

To: Mayor and City Council Members

From: Mark F. Miller, City Manager
Robert J. Bruner, Assistant City Manager
Beth Tashnick, Office Manager

Subject: City Council Agenda Questions & Answers – 07.27.2020

The following are communications that City Administration would like Council to be made aware of. In order to ensure that all questions are received and answered, all City Council Questions should be sent to the CITY MANAGER DISTRIBUTION GROUP e-mail address.

From: David Hamilton
Sent: Thursday, July 23, 2020 8:43 PM
To: City Manager Distribution Group <CityManager@troymi.gov>
Subject: Agenda Item P-02B

I read agenda report P-02B. Is there a resolution or ordinance City Council could approve that could authorize our police to shutdown non-compliant businesses?

Thanks,
David Hamilton
Troy Mayor Pro Tem

From: Ethan Baker
Sent: Friday, July 24, 2020 10:16 AM
To: Lori G Bluhm <BluhmLG@troymi.gov>; Mark F Miller <Mark.Miller@troymi.gov>; Frank Nastasi <nastasifa@troymi.gov>
Cc: City Manager Distribution Group <CityManager@troymi.gov>
Subject: P-02b

"There is no corresponding City ordinance that would allow citations to be prosecuted by the city attorney's office."

Is this something we can consider? Could an ordinance be enacted in an expedited fashion because we are in a stated emergency?

Would this be recommended by City Management?
Thanks, Ethan

From: Ellen C Hodorek
Sent: Monday, July 27, 2020 11:25 AM
To: City Manager Distribution Group <CityManager@troymi.gov>
Subject: Agenda Questions

P-02B ENFORCEMENT OF GOVERNOR'S EXECUTIVE ORDERS

If the Oakland County Prosecutor is vested with charging authority, does this mean we have done what we should/can?

Answer: Lori Grigg Bluhm, City Attorney

The Governor's State of Emergency Declaration is authorized under State statutes, and there is no independent grant of authority to local jurisdictions.

The City has and will continue to pursue any available options to obtain compliance.

From: Ellen C Hodorek
Sent: Monday, July 27, 2020 11:25 AM
To: City Manager Distribution Group <CityManager@troymi.gov>
Subject: Agenda Questions

1. I-05 CONTRACT RATIFICATION - TROY POLICE OFFICERS ASSOCIATION (TPOA)

I believe in 2010 the Troy Police Officers Association voted to re-open their contract when the City was dealing with the financial crisis from that economic downturn. Is that correct? (I ask in the spirit of reflecting back on the willingness of Troy's officers to partner with the community to weather that crisis, but I want to make sure I'm remembering correctly.)

2. I-06 LIBRARY FUNDING

When did City Council hold a Study Session to learn and understand more about protecting the City's AAA bond rating?

3. At that time, the Council was warned against funding the Library out of undesignated fund balance, as I recall. Is that advice still relevant?
 4. Does state law still require a tax capture out of the Library millage for the Local Development Finance Authority, the Downtown Development Authority, and for Brownfield Redevelopment Authority purposes?
 5. Will that need to be in the ballot language again?
-

Answer: Jeanette Menig, Humans Resources Director

1. Yes, the TPOA was one of the unions that re-opened their contracts and negotiated a 10% cost reduction. As clarification, it actually occurred in 2011.

Answer: Beth Tashnick, Office Manager

2. City Council had a Study Item on February 3, 2014 "Bond Rating Analysis".
I have attached the links to the study item materials below:

LATE SUBMITTAL - Q-01 STUDY ITEM - BOND RATING ANALYSIS(2) [Backup Material](#)
LATE SUBMITTAL - Q-01 STUDY ITEM BOND RATING ANALYSIS [Backup Material](#)

Answer: Robert J. Bruner, Assistant City Manager

3. Yes. Undesignated fund balance is a one-time revenue, not a recurring revenue. One-time revenue should only be used to fund one-time expenditures. One-time expenditures might include capital improvements or to cover one-time revenue shortfalls when those revenues are expected to rebound before fund balance is depleted. Operating the Library is a recurring expenditure and should be funded with recurring revenue. Funding recurring expenditures with one-time revenue is a bad idea for a variety of reasons and would threaten the City's bond rating.

Answer: Lori Grigg Bluhm, City Attorney

- 4&5. Maybe. The ballot language requires notification that there will be a disbursement to the BRA. However, because of a 2017 package of amendments to the tax increment financing state statutes, the City Attorney's Office is researching whether there needs to be disbursements to the LDFA and DDA.

From: Ethan Baker

Sent: Monday, July 27, 2020 11:40 AM

To: City Manager Distribution Group <CityManager@troymi.gov>

Subject: I-6

There is a lot being said that Troy's taxes will stay neutral even with a library millage increase. Can you please provide the information showing what the tax rate overall would be in 2021/22 with the three different millage ideas (.9, 1.0, and 1.1)? Can you also include the last five years or so?

Answer: Robert J. Bruner, Assistant City Manager

See the attached memo and charts addressing these questions and please download a copy of this information prior to the council meeting this evening so you can access the information without having to open your email.



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CITY COUNCIL AGENDA ITEM

Date: July 27, 2020

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager
Cathleen A. Russ, Library Director

Subject: Library Funding Supplemental Information

The final survey results will be presented tonight during the July 27 regular City Council meeting. City Council must then determine the library millage rate and duration to be presented at the November general election. This supplemental information is intended to help City Council deliberate and provide City staff with direction regarding the library millage rate.

Exhibit 1 – City Millage Rates, FYE 2011 – FYE 2022

Exhibit 1 shows the City's operating, capital, refuse, debt, and library millage rates from fiscal year ending 2011 (the last year before the library millage began) to fiscal year ending 2022. The debt and library millage rates are blank in fiscal year ending 2022 because both will end without voter approval of new millages. The other millage rates in fiscal year ending 2022 are estimates.

Exhibit 2 – Total City Millage Rate, FYE 2011 – FYE 2022

Exhibit 2 shows the City's total millage rate from fiscal year ending 2011 (the last year before the library millage began) to fiscal year ending 2022. Four different total millage rates are shown for fiscal year ending 2022 to illustrate what would happen to the City's total millage rate if the library millage rate approved by voters is 0.9, 1.0, 1.1, or 1.2 mill.

Exhibit 3 – Library Millage Rates and Taxes

Exhibit 3 shows how the average residential Troy tax bill might change between fiscal year ending 2021 and fiscal year ending 2022 if the library millage rate approved by voters is 0.9, 1.0, 1.1, or 1.2 mill.

Exhibit 4 – Library Millage Options

Exhibit 4 shows revenue and expenditure estimates for fiscal year ending 2022 if the library millage rate approved by voters is 0.9, 1.0, 1.1, or 1.2 mill. This is an illustration to demonstrate how each millage rate provides for greater hours, building upgrades, collection (library materials) and computer services.

Exhibit 5 – Average Residential Library Tax Rank

Exhibit 5 shows how Troy's average residential library tax would have ranked among its peers in 2019 if the library millage rate had been 0.9, 1.0, 1.1, or 1.2 mill. Communities are ranked in descending order from highest average residential library tax to lowest.



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CITY COUNCIL AGENDA ITEM

Michigan's public libraries are divided into 6 class sizes based on population served. There are 35 public libraries in Oakland County. There are 17 Class 5 and 6 Libraries in Oakland County. The Troy Public Library is a Class 6 Library.

Twenty-two (22) cities, villages, and townships levy a dedicated library millage for the 17 Class 5 and 6 Libraries in Oakland County. The number of communities levying a dedicated library millage is greater than the number of libraries because some communities share a library. For example:

- Birmingham, Bloomfield Hills, and Beverly Hills each levy a dedicated library millage for the Baldwin Public Library in Birmingham.
- Farmington and Farmington Hills are in the Farmington Community Library district.
- Rochester Hills and Oakland Township each levy a dedicated library millage for the Rochester Hills Public Library.

In 2019, the average residential taxpayer in these Oakland County communities paid about \$11 per month for library services. The average residential Troy taxpayer paid about \$7 per month for library services. The average residential Troy taxpayer paid less than the average taxpayers in all but five communities (Royal Oak, Waterford Township, Oak Park, Madison Heights, and Pontiac).

Exhibit 5 shows how Troy would have ranked in 2019 based on the millage rate in the top row. Communities are ranked in descending order from highest average residential library tax to lowest.

Exhibit 1 – City Millage Rates

Fiscal Year						
Ending	Operating	Capital	Refuse	Debt	Library	Total
FYE 2011	6.5000	1.5300	0.8700	0.5000		9.4000
FYE 2012	6.5000	1.5300	0.9600	0.5000	0.7000	10.1900
FYE 2013	6.5000	1.5300	1.0500	0.7000	0.7000	10.4800
FYE 2014	6.5000	1.5300	1.0900	0.7000	0.7000	10.5200
FYE 2015	6.5000	1.5300	1.0700	0.7000	0.7000	10.5000
FYE 2016	6.5000	1.5300	1.0700	0.7000	0.6974	10.4974
FYE 2017	6.5000	1.5300	1.0700	0.6000	0.6989	10.3989
FYE 2018	6.5000	1.4949	1.0700	0.6000	0.6934	10.3583
FYE 2019	6.5000	1.4381	1.0700	0.6000	0.6884	10.2965
FYE 2020	6.5000	1.3896	1.0900	0.5800	0.6841	10.2437
FYE 2021	6.5000	1.3486	1.0900	0.3800	0.6805	9.9991
FYE 2022	6.5000	1.3486	1.0900			8.9386

FYE 2022 debt and library millage rates are blank because both will end without voter approval of new millages.

FYE 2022 operating, capital, and refuse millage rates are estimated.

Exhibit 2 – Total City Millage Rate

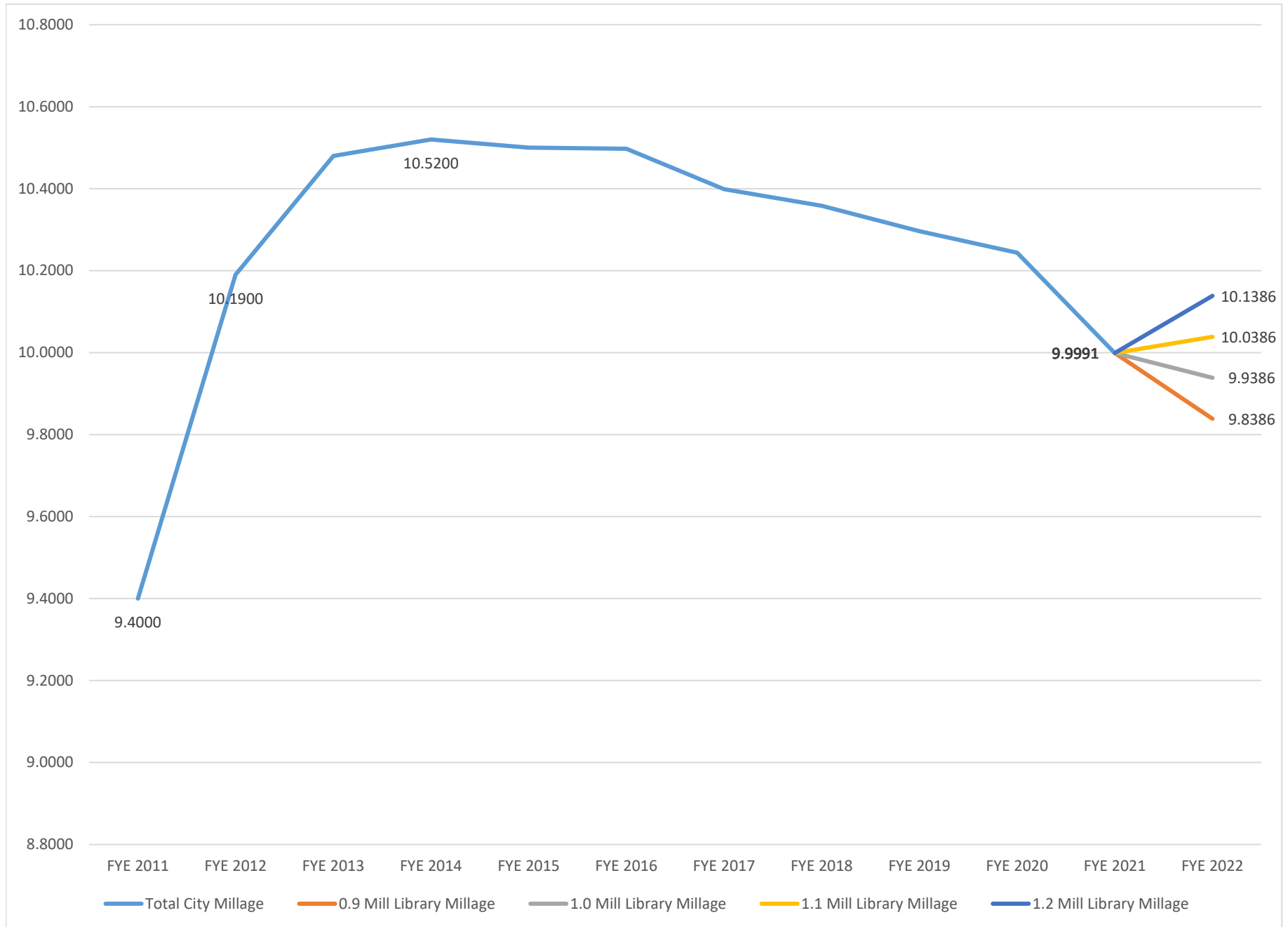


Exhibit 3 – Library Millage Rates and Taxes

Description	FYE 2021 Actual	FYE 2022 Estimates			
		0.9 Mill Library Millage	1.0 Mill Library Millage	1.1 Mill Library Millage	1.2 Mill Library Millage
Library Millage	0.6805	0.9000	1.0000	1.1000	1.2000
Other City Millages ¹	9.3186	8.9386	8.9386	8.9386	8.9386
Total City Millage ²	9.9991	9.8386	9.9386	10.0386	10.1386
Other Millages ³	19.8416	19.8416	19.8416	19.8416	19.8416
Total Millages ⁴	29.8407	29.6802	29.7802	29.8802	29.9802
Taxable Value ⁵	\$130,000	\$133,250	\$133,250	\$133,250	\$133,250
Library Tax ⁶	\$88	\$120	\$133	\$147	\$160
Other City Taxes ⁷	\$1,211	\$1,191	\$1,191	\$1,191	\$1,191
Total City Tax ⁸	\$1,300	\$1,311	\$1,324	\$1,338	\$1,351
Other Taxes ⁹	\$2,579	\$2,644	\$2,644	\$2,644	\$2,644
Total Taxes ¹⁰	\$3,879	\$3,955	\$3,968	\$3,982	\$3,995

1. Includes operating (6.5000), capital (1.3486), and refuse (1.0900) millage.

Debt (0.3800) millage ends in 2021.

2. Library Millage + Other City Millages

3. Includes Oakland County and Troy School District Principal Residence Exemption (PRE) millages

4. Total City Millage + Other Millages

5. Assumes 2.5% increase in 2021

6. Taxable Value / 1,000 * Library Millage

7. Taxable Value / 1,000 * Other City Millages

8. Taxable Value / 1,000 * Total City Millage

9. Taxable Value / 1,000 * Other Millages

10. Taxable Value / 1,000 * Total Millages

Exhibit 4 – Library Millage Options

	0.9 Mill	1.0 Mill	1.1 Mill	1.2 Mill
Library Fund Revenue	\$4.6 million	\$5.1 million	\$5.6 million	\$6.1 million
Hours	6 days; 55 hours \$2.5 million	7 days; 65 hours \$3.0 million	7 days; 65 hours \$3.0 million	7 days; 65 hours \$3.0 million
Building Upgrades	\$500,000	\$500,000	\$800,000	\$1.0 million
Collection	\$600,000	\$600,000	\$800,000	\$800,000
Computer Services	\$500,000	\$500,000	\$500,000	\$800,000
Everything Else	\$500,000	\$500,000	\$500,000	\$500,000
Average Residential Library Tax Based on \$130,000 Taxable Value	\$9.75 monthly	\$10.83 monthly	\$11.92 monthly	\$13.00 monthly

Exhibit 5 – Average Residential Library Tax Rank

0.9 Mill	1.0 Mill	1.1 Mill	1.2 Mill
12 of 22 1. Bloomfield Township 2. Birmingham 3. West Bloomfield Township 4. Bloomfield Hills 5. Farmington Hills 6. Orion Township 7. Independence Township 8. White Lake Township 9. Southfield 10. Beverly Hills 11. Farmington 12. TROY (\$9.33 monthly)	9 of 22 1. Bloomfield Township 2. Birmingham 3. West Bloomfield Township 4. Bloomfield Hills 5. Farmington Hills 6. Orion Township 7. Independence Township 8. White Lake Township 9. TROY(\$10.37 monthly)	6 of 22 1. Bloomfield Township 2. Birmingham 3. West Bloomfield Township 4. Bloomfield Hills 5. Farmington Hills 6. TROY (\$11.40 monthly)	5 of 22 1. Bloomfield Township 2. Birmingham 3. West Bloomfield Township 4. Bloomfield Hills 5. TROY (\$12.44 monthly)

Based on average Troy residential Taxable Value of \$124,403