



Troy City Council Special Meeting:

# **2021-22 Budget Priorities**

November 16

# Purpose

- Provide overview of the City's 27 funds
- Inform Council of the structural issues negatively effecting the General Fund and Capital Projects Fund
- Assist Council in identifying budget priorities and revenue options
- Facilitate City Council discussion to provide City staff direction

# Agenda

- Funds Overview
- Residential Taxes
- Threats
- Opportunities
- Community Engagement
- Questions & Follow Up

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Budget Priorities

# **Funds Overview**

# Financial Organization Chart

## TOTAL CITY BUDGET \$179,276,079

### General Fund \$67,845,078

General Gov't  
\$9,460,054

Public Safety  
\$36,939,656

Public Works  
\$7,581,248

Community Dev.  
\$4,429,508

Recreation/Culture  
\$8,434,612

Other Uses  
\$1,000,000

### Special Revenue Funds \$23,421,629

Major Streets  
\$8,776,101

Local Streets  
\$4,282,345

Refuse Fund  
\$5,586,855

Transit Center \$94,110

Bud. Stabiliz. \$-

Drug Forfeiture  
\$403,500

Library \$4,127,518

CDGB \$150,000

Cemetery \$1200

### Debt Service Funds \$6,706,748

Gen. Debt Svc.  
\$2,879,260

Prop A Debt  
\$959,600

Prop B Debt  
\$1,175,850

Prop C Debt  
\$678,300

Ser. 2013-DDA  
\$1,013,738

### Capital Project Funds \$16,849,250

Capital Proj.  
\$16,849,250

Spec. Assessments  
\$-

### Enterprise Funds \$47,993,679

Sant. Lake GC  
\$2,485,385

Syl. Glenn GC  
\$1,226,390

Aquatic Ctr. \$764,170

Sewer \$21,381,550

Water \$22,136,184

### Internal Service Funds \$16,459,695

Building Operations  
\$1,380,360

Fleet Maintenance  
\$7,355,845

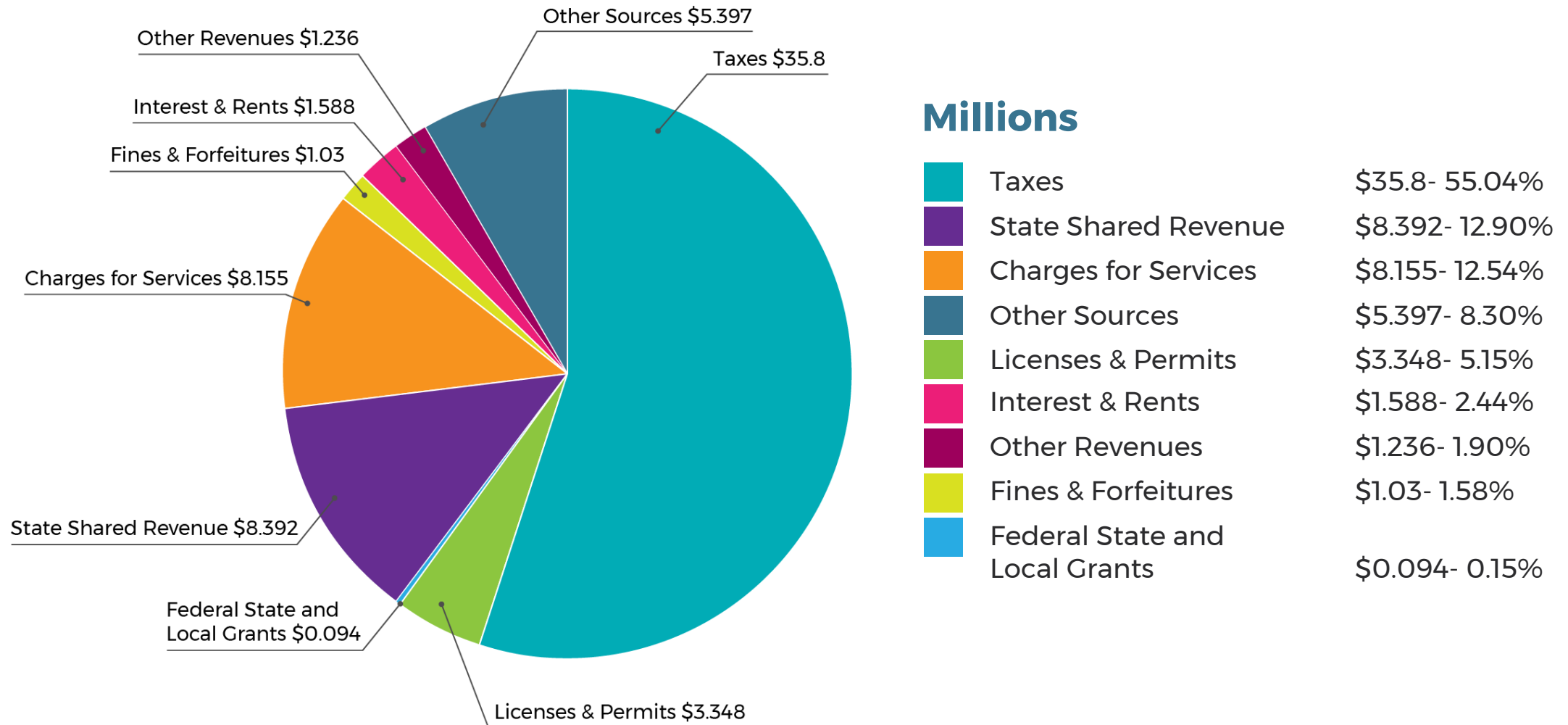
Information Tech.  
\$2,247,800

Unemployment  
\$3,640

Worker's Comp.  
\$765,000

Compensated  
Absences  
\$4,707,050

# General Fund Revenue Sources



# Capital Projects Fund

## Total Capital Projects \$16,849,250

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

- Major renovation of Major and County Roads throughout the City including
  - 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)

### Police Department \$604,000

- \*Mobile digital computer replacement (\$260K)

### Fire Department \$160,000

- \*Roof Replacement Station 2 (95K)

### Public Works \$350,000

- \*Parking lot maintenance (\$250K)

\* Indicates significant non-recurring capital projects budgeted

# Capital Projects Fund (cont.)

## Total Capital Projects \$16,849,250

### Library \$595,000

- Books and Materials (\$595K)

### Parks \$2,015,000

- Trails and Pathways (\$750K)
- \*Civic Center Skate Park Demo (\$500K)
- \*Boulan Park Tennis Court Resurfacing (\$275K)

### City Buildings \$737,000

- \*Training Center Improvements (\$192K)

### City Buildings \$737,000 (cont.)

- \*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 Replace (\$124K)

\* Indicates significant non-recurring capital projects budgeted

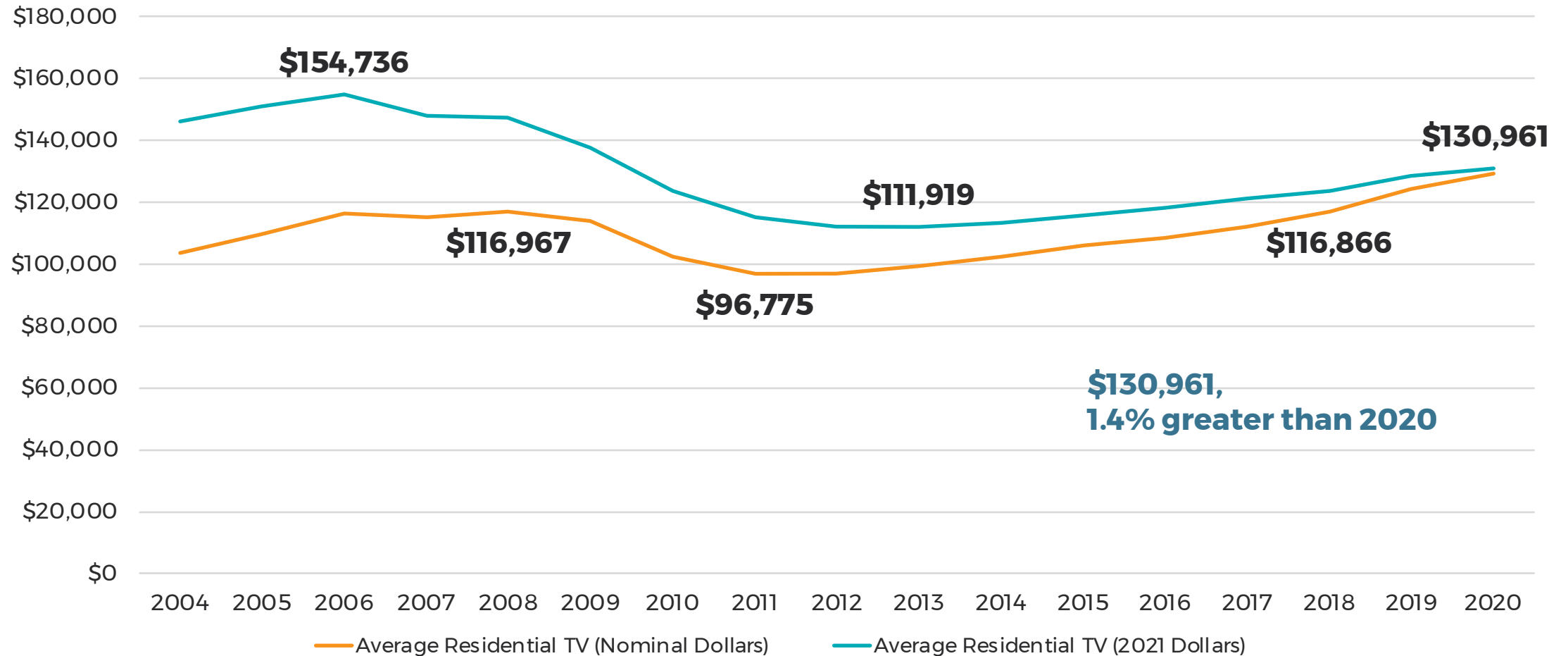




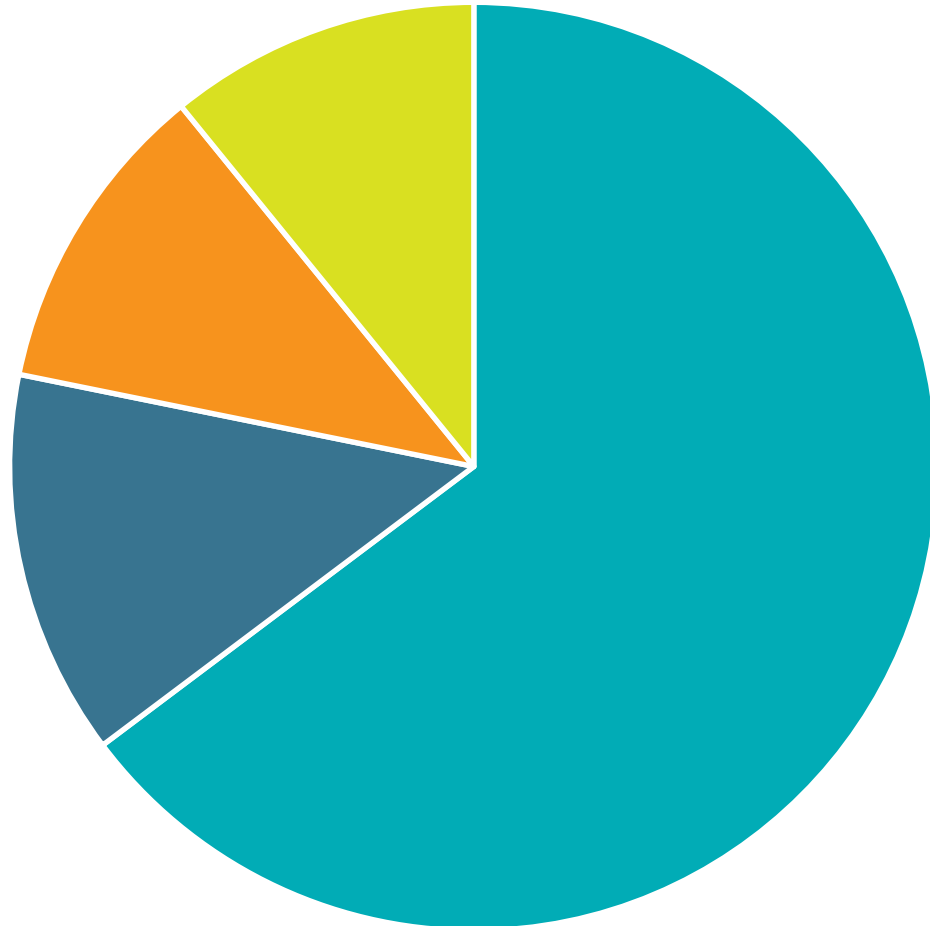
Budget Priorities

# **Residential Taxes**

# Troy Average Residential Taxable Value



# Projected 2021-2022 City Millage Rates



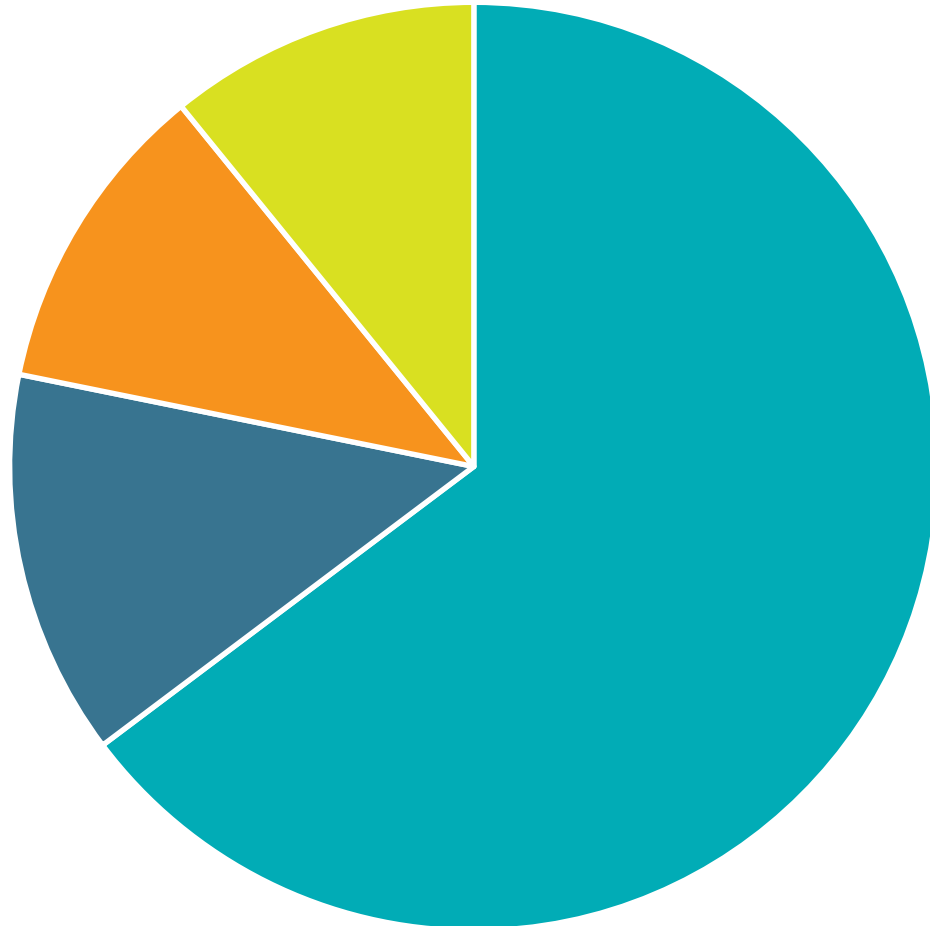
## 2021-2022 Projected

10.0386 Mills Total

0.40% greater than FYE 2021

<div></div>	Operating	6.5000
<div></div>	Capital	1.3486
<div></div>	Library	1.1000
<div></div>	Refuse	1.0900

# Average Residential PRE City Taxes



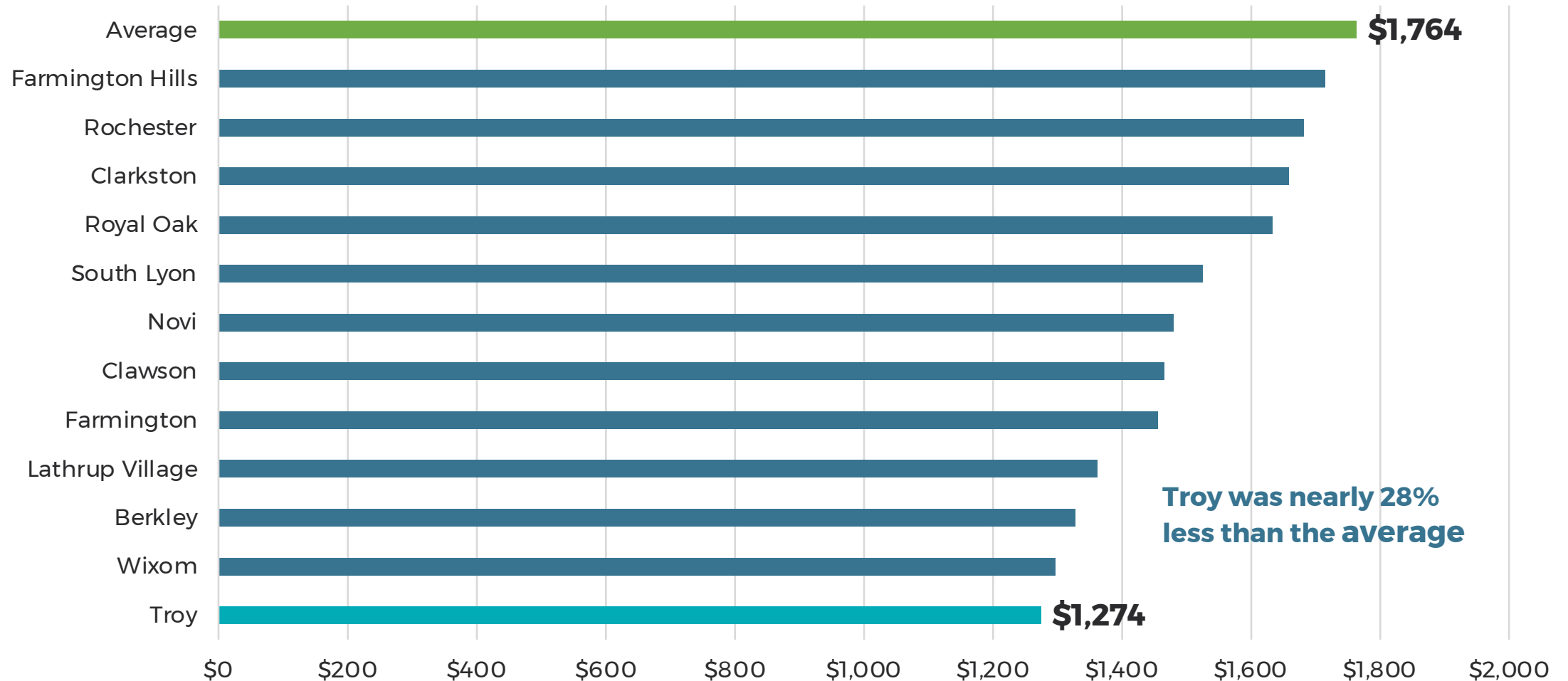
## 2021-2022 Projected

\$1,315 Total

\$23 (1.8%) more than FYE 2021

<div></div>	Operating	\$820
<div></div>	Capital	\$170
<div></div>	Library	\$139
<div></div>	Refuse	\$137

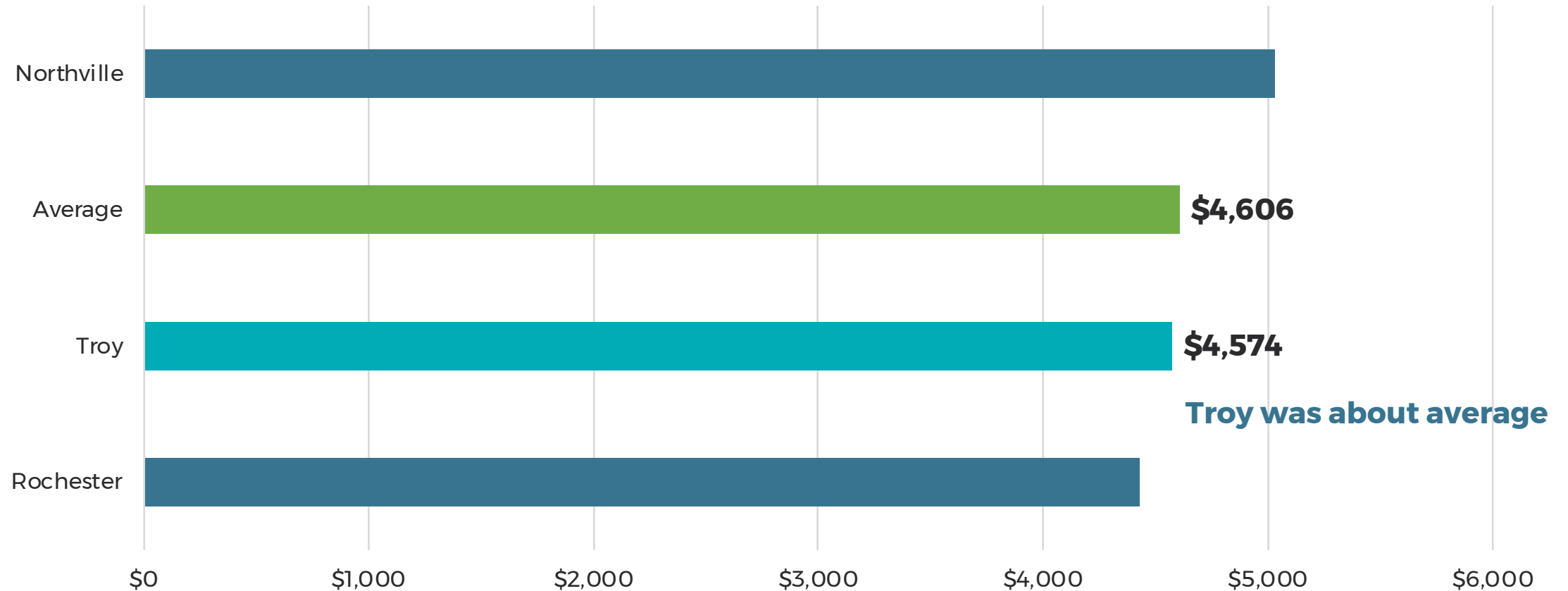
# Average Res. PRE City Taxes, 2019



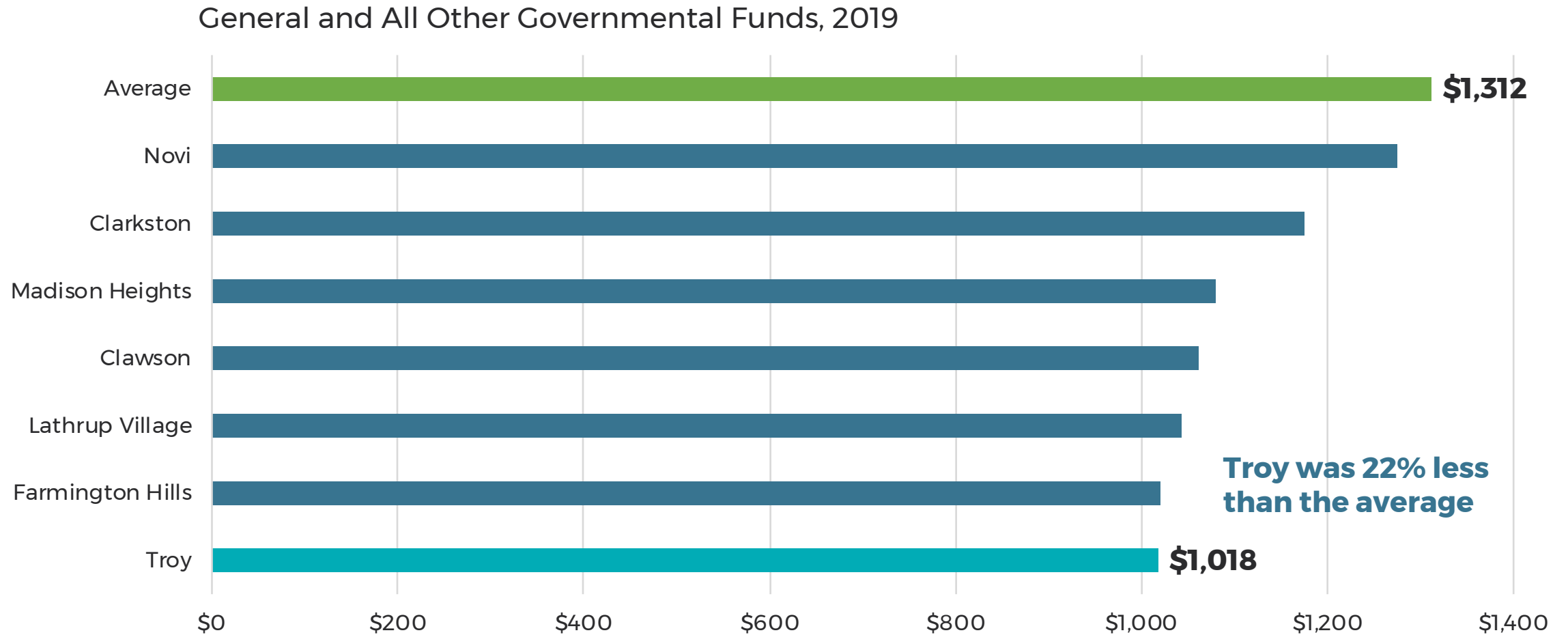
# Average Res. PRE School Taxes, 2019



# Average Res. PRE Total Taxes, 2019



# Expenditures Per Capita





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Budget Priorities

# Threats

# Threats Summary

- Library
- Troy Family Aquatic Center
- Sanctuary Lake Golf Course
- Headlee Amendment & Proposal A
- COVID-19 Pandemic
- Legacy Costs

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Budget Priorities | Threats

**Library**

# Library

The library millage passed! Library repairs and other expenses are no longer a threat to the General Fund.

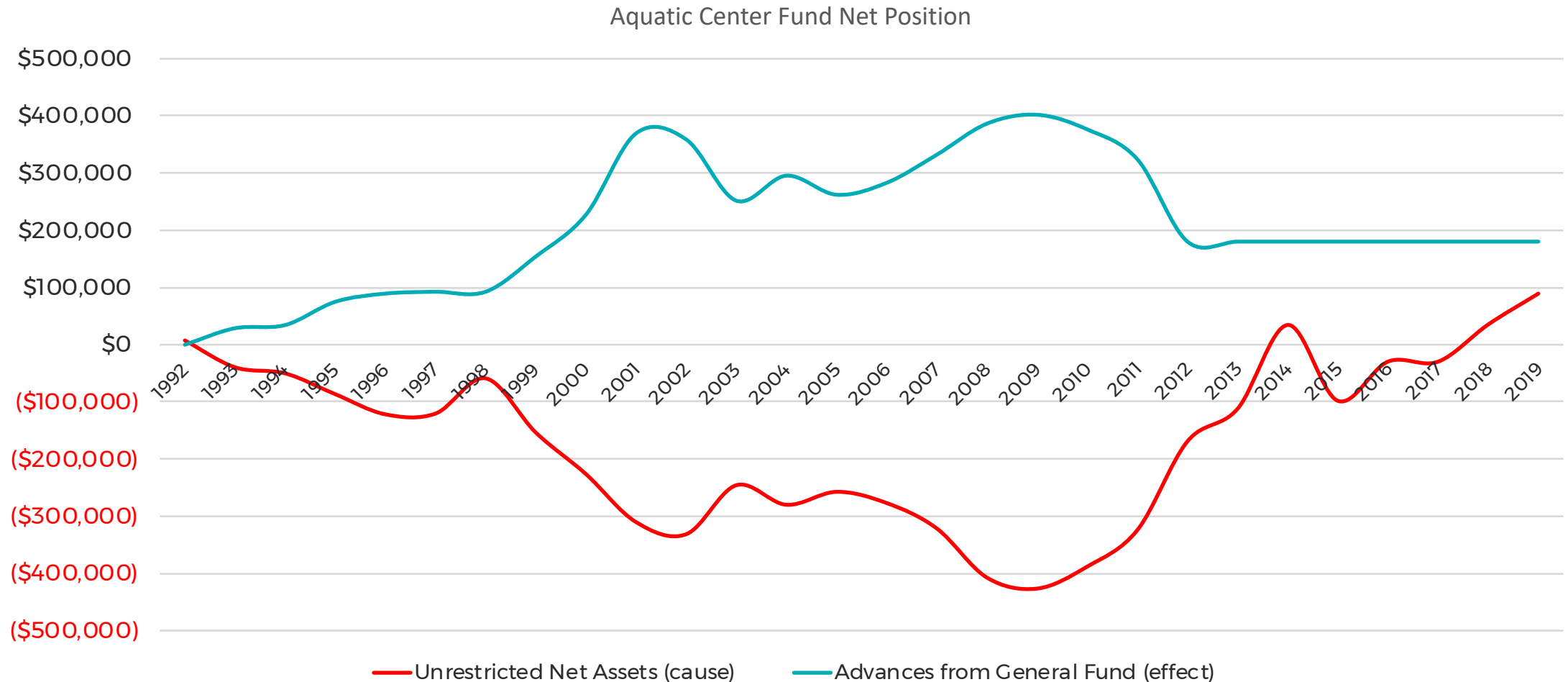
	1.1 mills
Library Tax Revenue	\$5.6 million
Hours	7 days; 65 hours; \$3.0million
Building Maintenance & Upgrades	\$1.0 million
Collection	\$600,000
Computer Services	\$500,000
Everything Else	\$500,000



Budget Priorities | Threats

# **Troy Family Aquatic Center (TFAC)**

# TFAC Fund Net Position



# Troy Family Aquatic Center Expenses

Year	Expense	Estimated Cost
2020-2021	Marcite	\$125,000
2020-2021	Concession Repairs	\$5,000
2020-2021	Deck Lighting Upgrades	\$30,000
2020-2021	Cement and Drain Repairs	\$125,000
2021-2022	Water Heaters	\$75,000
2021-2022	Exterior Repairs	\$15,000
2021-2022	Play Structure	\$150,000
2021-2022	Pump Rebuilds	\$70,000
2022-2023	Pool Heaters	\$80,000
2023-2024	Slide Reconditioning	\$80,000
Total		\$755,000

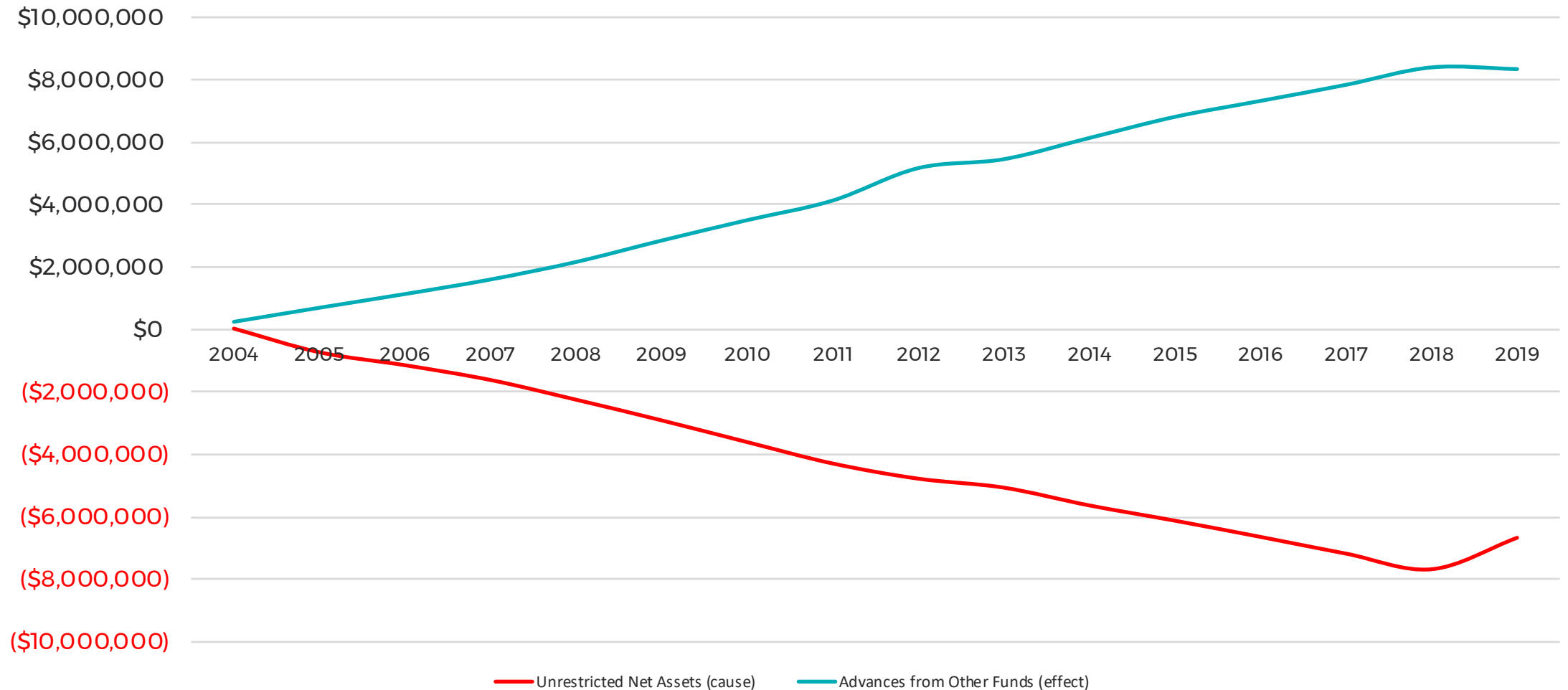


Budget Priorities | Threats

# **Sanctuary Lake Golf Course**



# Sanctuary Lake GC Fund Net Position



# Why?

## Aquatic Center Fund

- Other Oakland County waterparks are supported by property taxes
  - Red Oaks County Park
  - Kensington Metropark
  - Waterford Oaks County Park
- The Troy Aquatic Center is not
- Increasing fees to cover more costs will drive users to other parks

## Sanctuary Lake Golf Course Fund

- Annual operating income is much less than annual debt payment
- General Fund Advances = \$6.1 M
- Sylvan Glen Advances = \$2.8 M
- Estimated advances of \$13.5 M will be required to pay \$19.9 M debit

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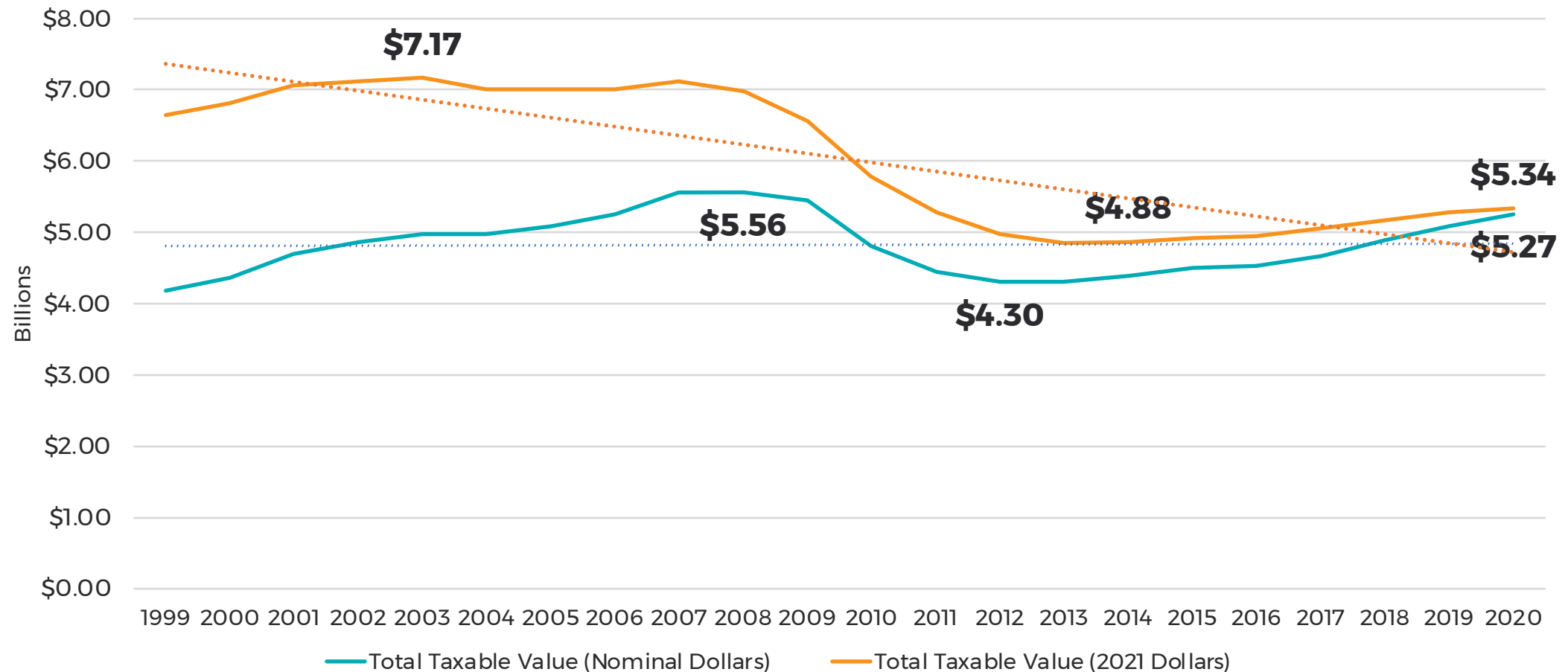
Budget Priorities

# **Headlee Amendment & Proposal A**

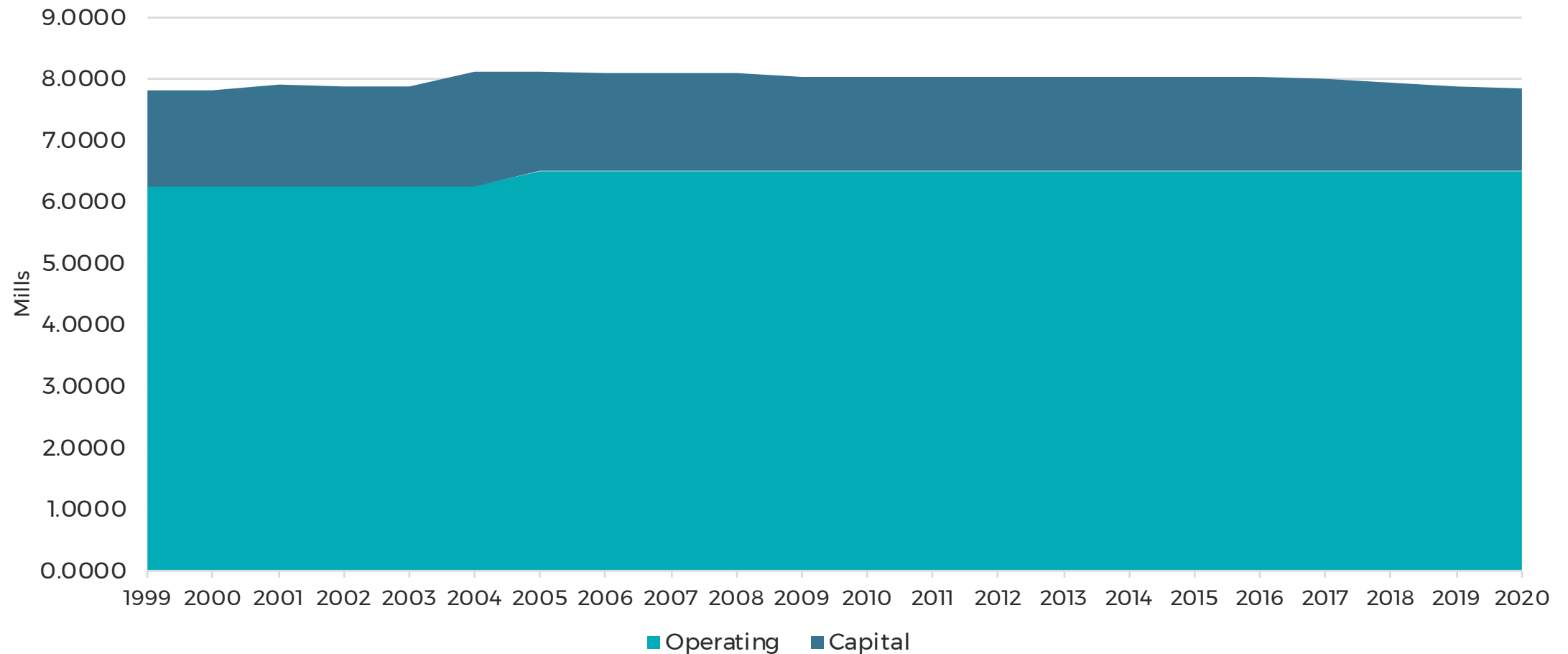
# Headlee Amendment & Proposal A

- Headlee limits property tax rates.
- Proposal A established and limits Taxable Value growth.
- Together, they severely restrict the City's revenue growth.

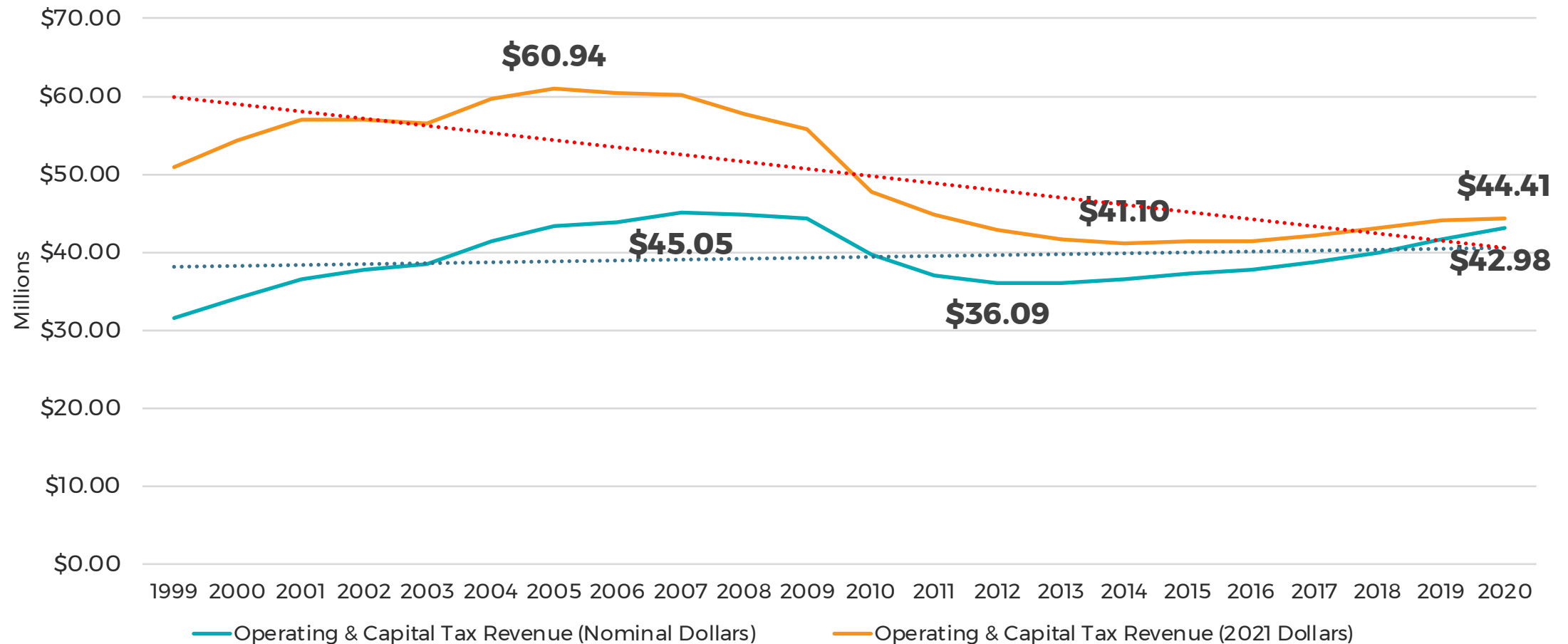
# Total Taxable Value, 1999-2020



# Millage Rates, 1999-2020



# Tax Revenue, 1999-2020





Budget Priorities

# **COVID-19 Pandemic**





# 27,339

Total Cases<sup>1</sup>

# 1,178

Total Deaths

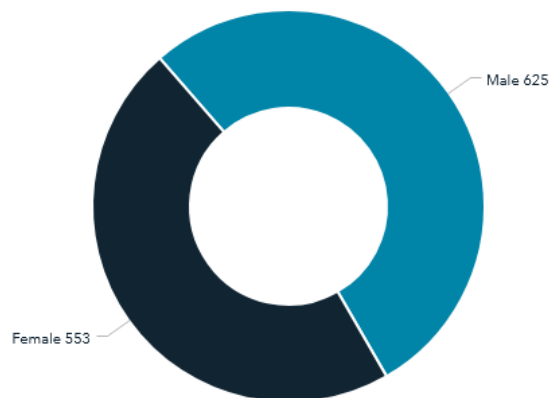
# 17,162

Total Recovered<sup>2</sup>

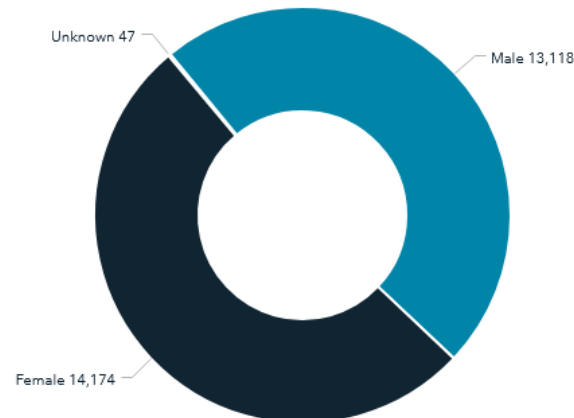
Counts

About

## Deaths by Gender



## Cases by Gender



## Counts by Day\*

Date	Cases	Deaths
11-Nov	311	
10-Nov	891	
09-Nov	467	
08-Nov	542	1
07-Nov	639	
06-Nov	384	
05-Nov	497	2
04-Nov	544	1
03-Nov	378	2
02-Nov	421	1
01-Nov	328	3
31-Oct	339	

## 7 Day Average of Daily Cases

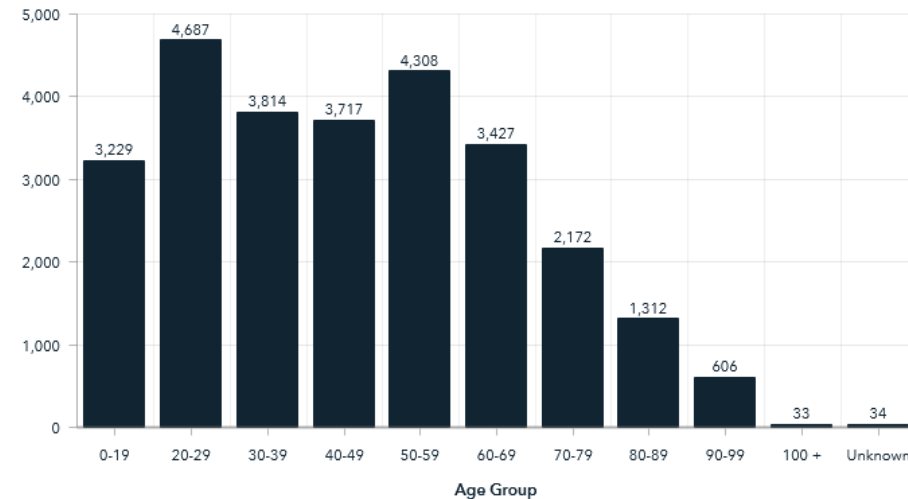


7 Day Case Average

7 Day Death Average

Total Confirmed Cases

## Cases by Age Group



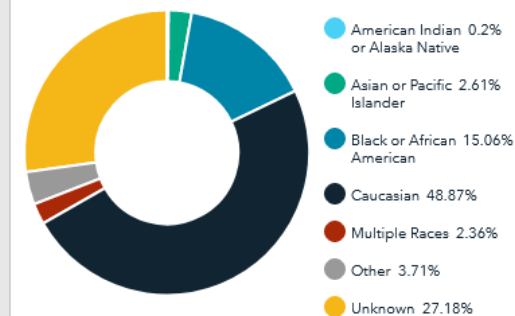
Cases by Age Group

Cases by Age & Gender

Deaths by Age Group

Deaths by Age & Gender

## Percentage of Cases by Race



Cases by Race

Deaths by Race

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Budget Priorities

# **Legacy Costs**

# Legacy Costs

- Employee Retirement System (ERS)
- Volunteer Firefighter Incentive Program (VFIP)
- Retiree Healthcare

# Employee Retirement System (ERS)

- \$122.41% funded
- The City has net position of \$196,393,768 as of June 30, 2020
- Fully funded at \$160,435,319

Year End December 31	Employer Contribution	Net Liability
2011	2,789,888	
2012	2,124,994	
2013	1,415,822	
2014	1,692,089	
2015	841,479	
2016	466,571	
2017	331,698	
2018	0	
2019	0	
2020	0	(\$35,958,449)

# Volunteer Firefighters Incentive Plan

- 44.19%, funded
- The City has net position of \$11,224,175 as of June 30, 2020
- Fully funded at \$25,398,965

\* After changes in benefit provisions.

#After changes in actuarial assumptions.

Valuation Date December 31,	Computed City's Contrib.	Net Liability
2011	\$858,472	
2012	\$843,872	
2013*#	\$1,100,632	
2014	\$1,113,496	
2015#	\$1,112,471	
2016	\$1,285,259	
2017	\$1,260,916	
2018#	\$1,319,272	
2019#	\$1,759,708	\$14,174,790

# Retiree Healthcare

- 82.34%, funded
- The City has net position of \$94,265,106 as of June 30, 2020
- Fully funded at \$114,486,138

Actuarial Determined Employer Contribution		
Fiscal Year	General Fund Cost	Net Liability
2019	\$5,646,672	
2020	\$5,579,325	
2021	\$3,231,801	
2022	\$3,180,761	
2023	\$3,141,687	\$20,221,032

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Budget Priorities

**Opportunities**

# Opportunities

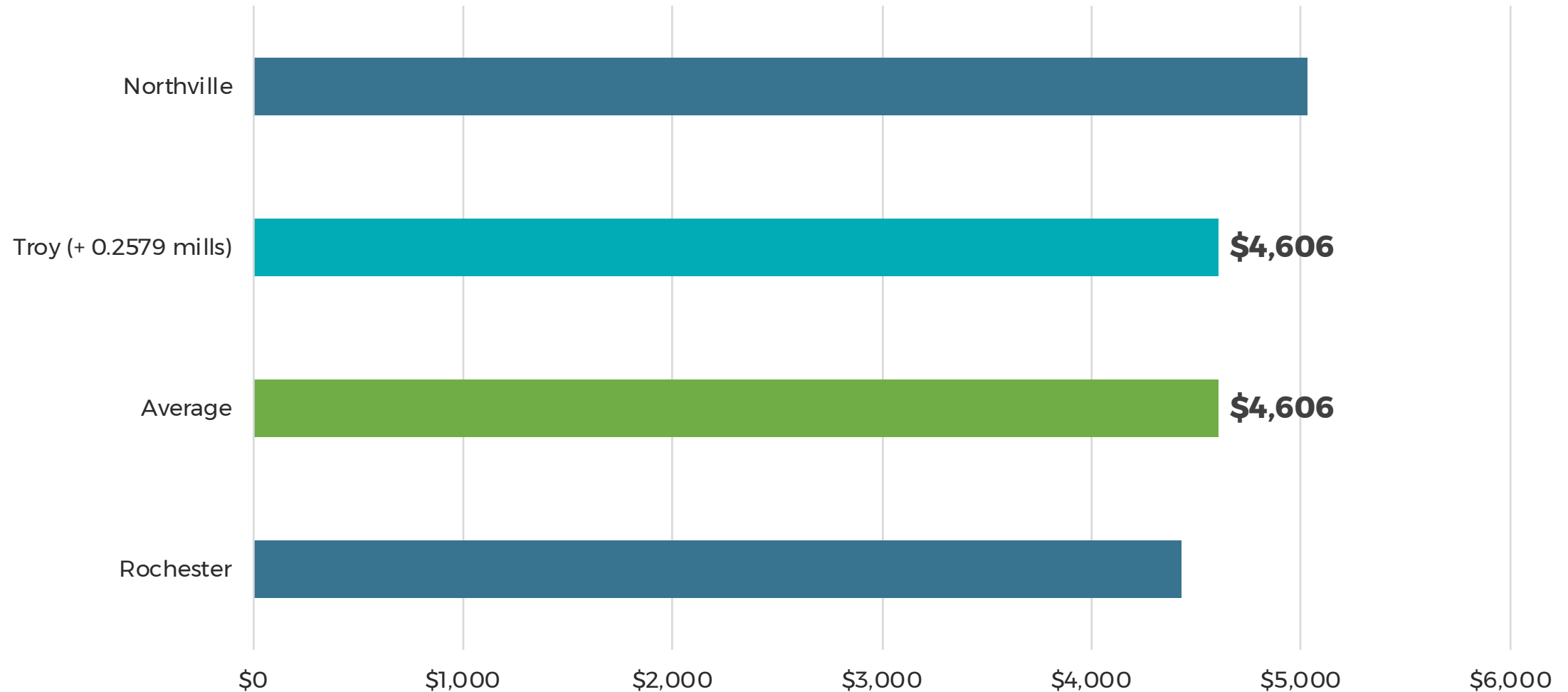
- Below Average Residential PRE City Taxes
- Expiring Debt Millage
- New Debt Millage
- New Dedicated Millage



# Below Average Residential PRE City Taxes

- Troy's average residential PRE total tax bill was \$32 less than the Oakland County average in 2019.
- That equated to 0.2579 mills in 2019.
- An additional 0.2579 mills would have generated approximately \$1.3 million in 2019.
- An additional 0.2579 mills would have made Troy's average residential PRE total tax bill equal to the Oakland County average.

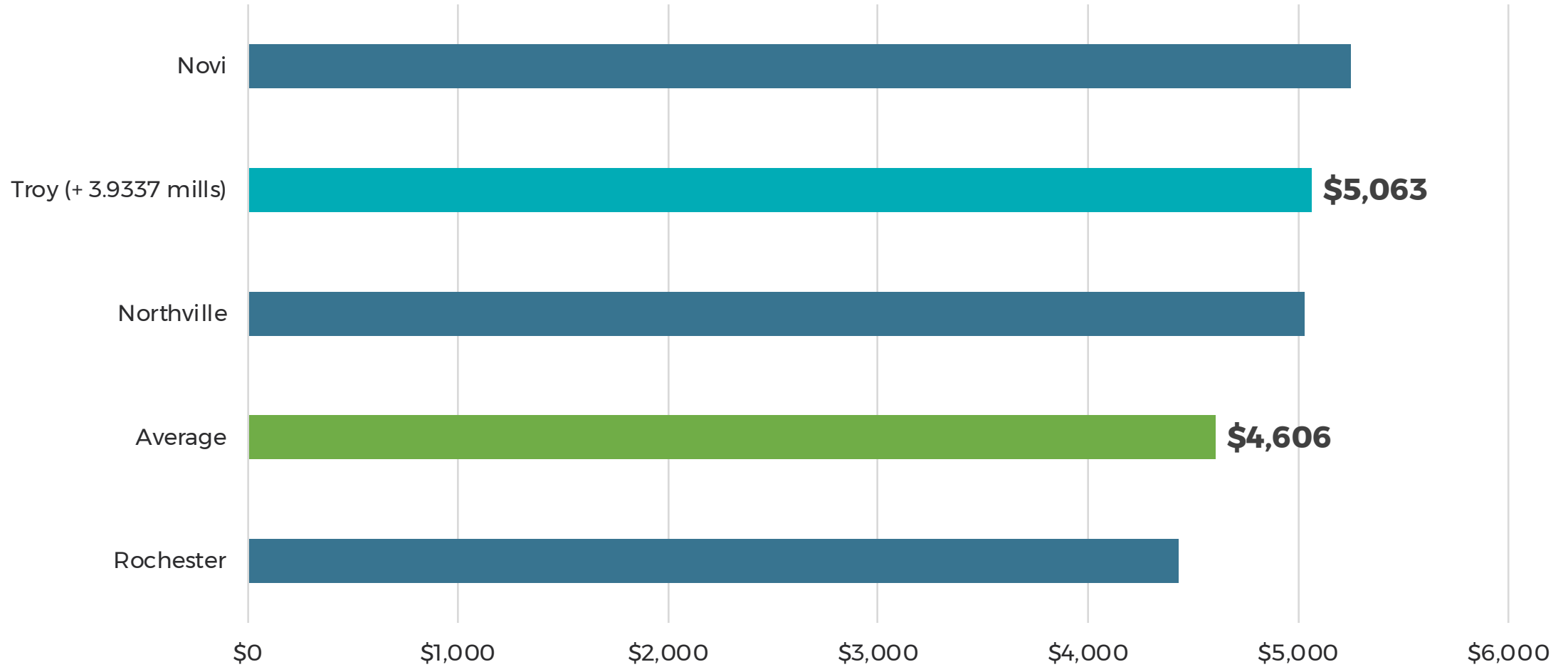
# Average Residential PRE Total Taxes, 2019



# Below Average Residential Taxes

- Troy's average residential PRE city tax bill was \$489 (nearly 28%) less than the Oakland County average in 2019.
- That equated to 3.9337 mills in 2019.
- An additional 3.9337 mills would have generated approximately \$19 million in 2019.
- An additional 3.9337 mills would have made Troy's average residential PRE total tax bill \$457 (nearly 10%) more than the Oakland County average.

# Average Res. PRE Total Taxes, 2019



# Debt Millages

## Expiring Debt Millage

- Prop A: Public Safety
- Prop B: Streets
- Prop C: Recreation

## New Debt Millage Options

- Public safety facility repairs and updates
- Streets
- Parks & Recreation facilities

# Dedicated Millages

## Library

- 1.1 mills for ten years
- Capital and operating expenses

## Other Options

- Parks and Recreation
- Police
- Fire
- Streets
- Trails and Pathways



Budget Priorities

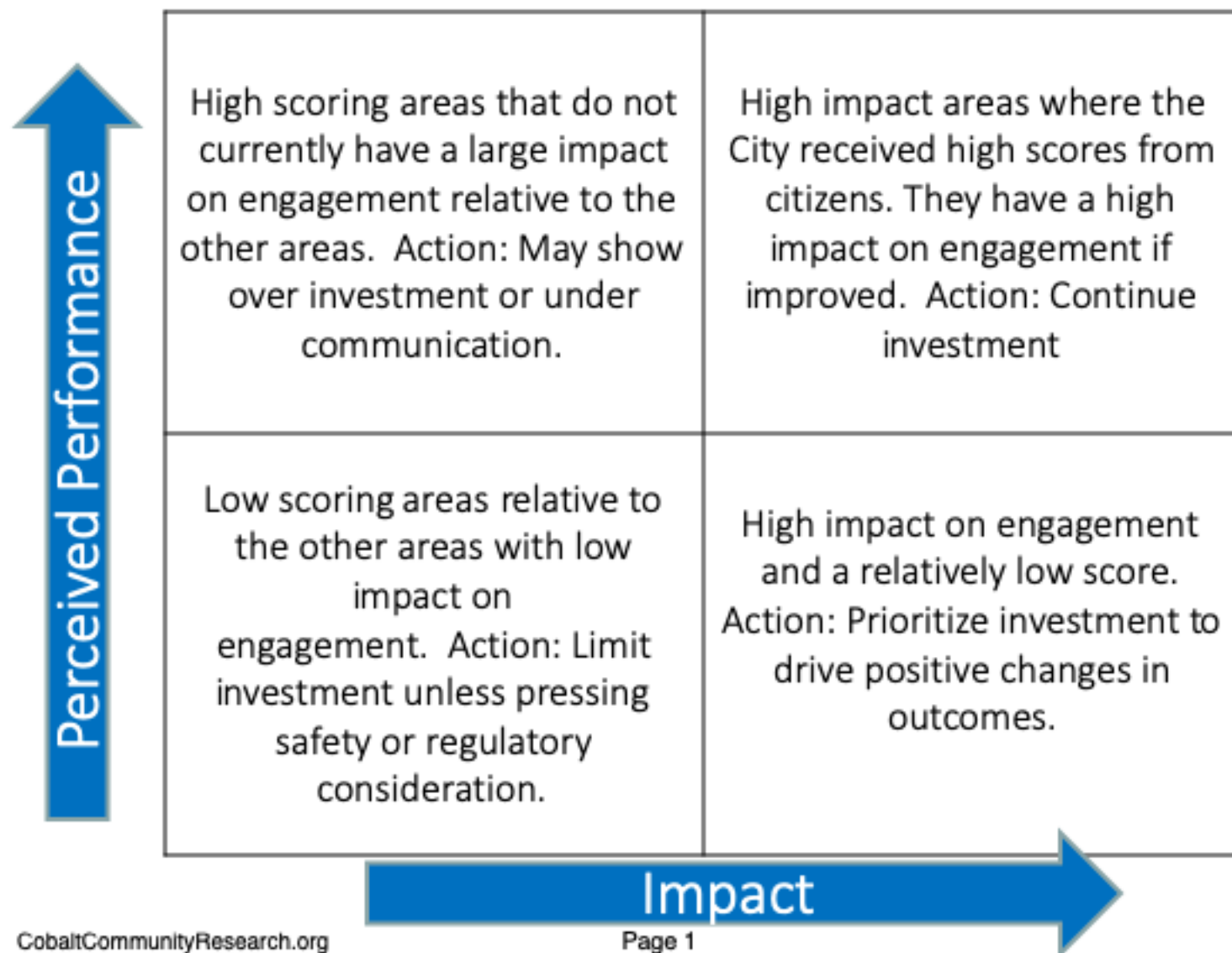
# **Community Engagement**

# Community Engagement

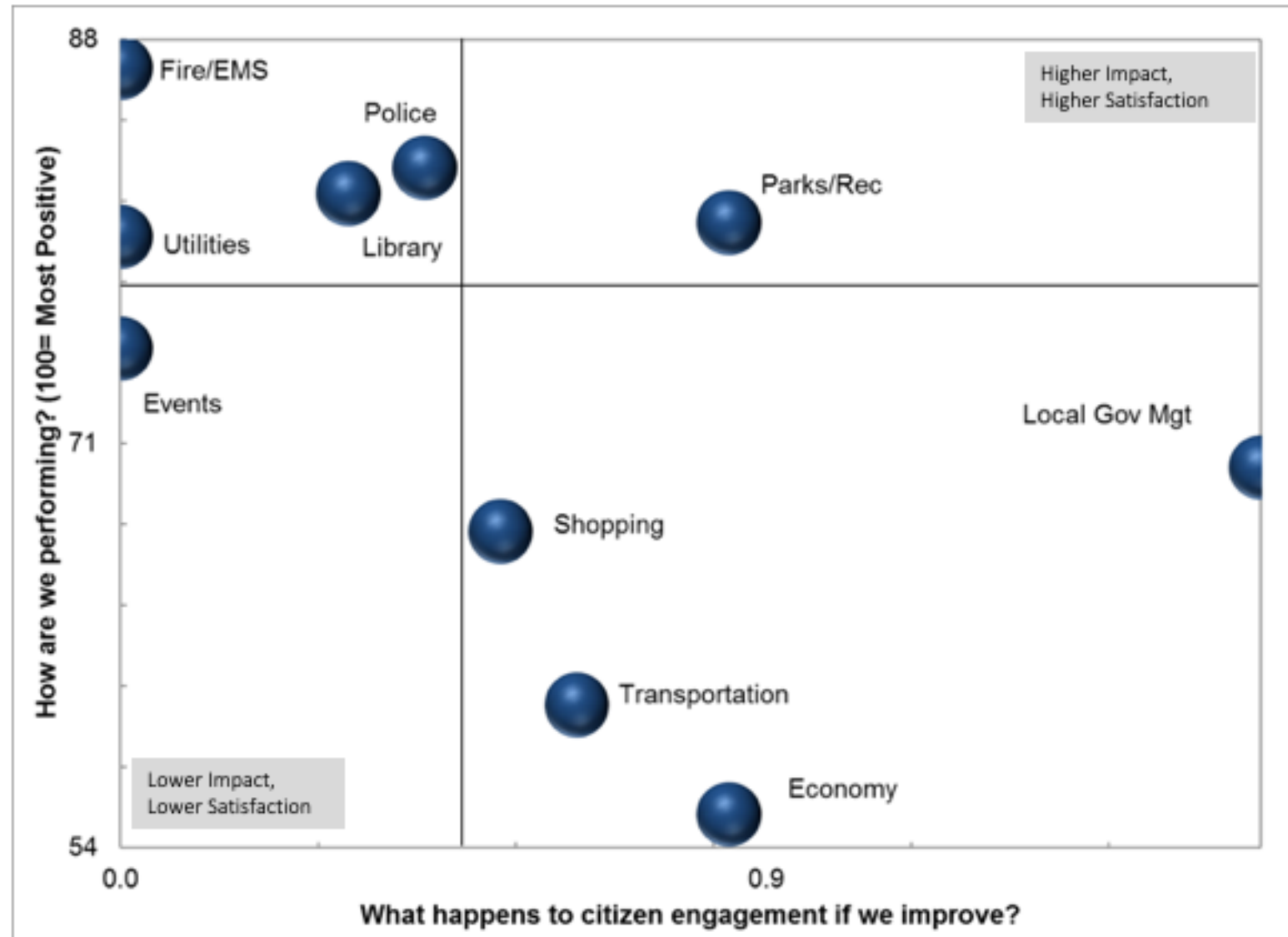
- Community survey to help identify priorities.
- Focus groups to collect input and test ideas.
- Town hall meetings to educate the community and answer questions.



# Understanding the Charts: Community Questions – Long-term Drivers



# Drivers of Satisfaction and Behavior: Strategic Priorities

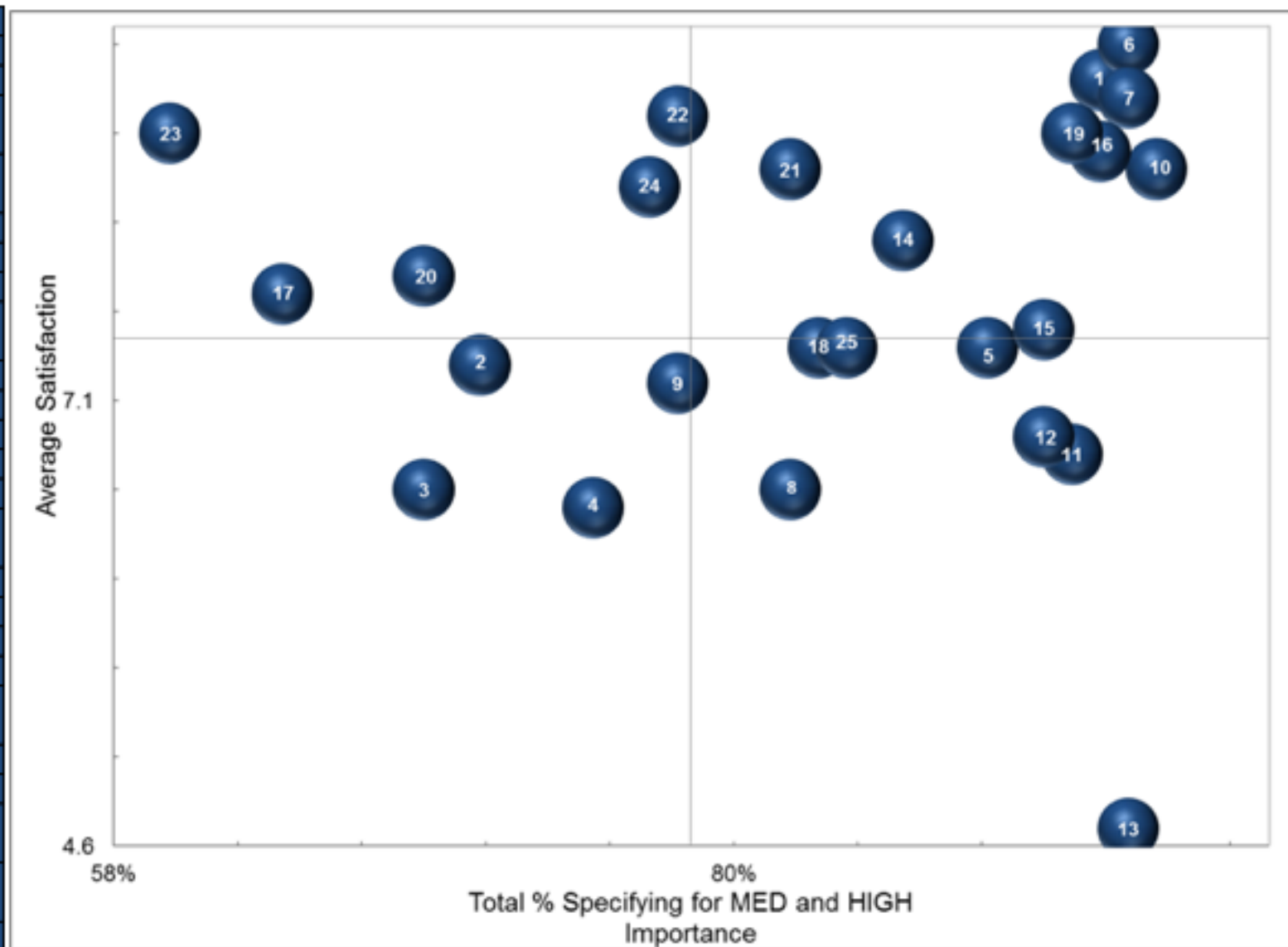




# City Services & Programs Bubble Chart

Horizontal axis = % of respondents saying service is **MED** or **HIGH** importance,  
Vertical axis = satisfaction w/ service

- 1 Ambulance services
- 2 Building inspection
- 3 Building permitting
- 4 Responsiveness to code complaints
- 5 Crime prevention program
- 6 Fire services
- 7 Police services
- 8 Tree Maintenance
- 9 Bicycle lanes and paths
- 10 Drinking water
- 11 Sidewalks
- 12 Street lighting
- 13 Street maintenance
- 14 Billing and payments
- 15 City communications with citizens
- 16 City parks
- 17 Compost services
- 18 Curbside recycling
- 19 Garbage collection
- 20 Green waste collection
- 21 Landfill services
- 22 Library services
- 23 Mountain View Cemetery
- 24 Recreation programs and classes
- 25 Park restrooms



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# Questions & Follow Up

Troy City Council Special Meeting | November 16