



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Date: January 18, 2021



To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager
Rob Maleszyk, Chief Financial Officer

Subject: Deficit Elimination Plan – City of Troy Sanctuary Lake Golf Course

Background:

The Glenn Steil State Revenue Sharing Act of 1971, Public Act 140 of 1971, Section 21(2) states that units of local government that end their fiscal year in a deficit condition shall formulate a deficit elimination plan. The Community Engagement and Finance Division received our audit report for the fiscal year ending 2020. Sanctuary Lake Golf Course had current assets less than current liabilities of \$7,033 at June 30, 2020. This is less than 0.5% of revenues. This was due primarily to the Covid-19 impact on the golf course's cash flow and has already been corrected moving forward. We implemented a process to ensure proper funding and advances at year-end so this does not repeat.

Attached is the Deficit Elimination Plan for City Council's approval. This Plan will eliminate the current ratio deficit and also includes a \$1 million advance from the General Fund that ensures cash for the payment of the debt and interest for fiscal 2021. This Plan needs to be approved by Council because the Michigan Treasury has the authority to withhold our State Revenue Sharing until we receive their certification of our Plan.