



500 West Big Beaver
Troy, MI 48084
troymi.gov

FROM THE OFFICE OF THE CITY MANAGER

April 19, 2021

To: Mayor and City Council Members

From: Mark F. Miller, City Manager
Robert J. Bruner, Assistant City Manager
Sarah Ames, Assistant to the City Manager

Subject: City Council Agenda Questions & Answers – 4.19.21

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: Sunday, April 18, 2021 10:54 PM
To: City Manager Distribution Group <CityManager@troymi.gov>
Subject: Budget Questions

1.) What happened to the SMART parking lot revenue?

Answers: Rob Maleszyk, Chief Financial Officer

The parking lot revenue is still there, just in a different account. Please refer to Page 74 and you will see it two lines above in account 4667.035.

2.) Under debt service, how is the general obligation debt of \$23.197 million calculated? This is under the page where it calculates the debt limit for the City.

It is the current (2021) outstanding principal. Thus, if you add the following:
Proposal A, B, C (\$2,760,000) + DDA (\$14,132,400) + Sanctuary Lake (\$6,305,000) it is \$23,197,400.

3.) Police: What is the difference between road patrol, directed patrol unit, and the traffic unit?

The Directed Patrol Unit and the Traffic Safety Unit are sub-units of the overall road patrol group. Road patrol typically refers to the officers assigned to uniformed patrol, in marked cars, that respond to calls for service. Traffic Safety is primarily assigned to traffic accident problem areas and to address concerns of residents with speeders in particular neighborhoods. Directed Patrol is a unit comprised primarily of officers in plainclothes driving unmarked vehicles. They target problem crime areas, address narcotics

and human trafficking in our hotels, crimes occurring in our retail areas, compliance checks with liquor establishments, and many other tasks.

4.) Can you provide the more detailed breakdown of Non-General fund revenues and expenditures that you usually send me every year (this will include the new act 51 spending now put into the Local and Major roads funds)?

Please give us a copy of what you got in the past. I don't know what report you reference.

5.) Are we factoring in any usage of American Rescue Plan dollars into this budget plan?

No, it is not in the budget because of lack of information and guidance. In the presentation tonight we will reference the American Rescue Plan and, once we have enough information from the Department of US Treasury, we will meet with Council outside of this budget process.

6.) Is there any plan to increase the library collection budget in the future?

In the three-year plan there is no plan to increase. Emily continues to analyze this spending with her team.

7.) What are the 2023 and 2024 Community Center future annex renovations for 2 million and 1.5 million?

Primarily additional phases of roof and HVAC renovations at the Community Center.

8.) What is the plan for the projected Capital Fund deficit in the future?

The need of Capital continues to outpace the resources. We need to begin the conversations about that in our future budget sessions (November) whether to lessen capital expenditures or add a revenue source.

9.) What is the major expense planned for Sylvan Glen Golf course in 2023?

The 2023 Expenditure is for an equipment bridge at the golf course. It was requested by Indigo Golf. We need to do much more investigation if it will ever become a project.

Thank you,

David Hamilton
Troy City Council Member

From: Rebecca A. Chamberlain-Creangă

Sent: Sunday, April 18, 2021 11:49 PM

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

Subject: Questions about budget

Hi all,

I'm not sure if we're submitting questions for the budget study sessions. I have some general questions about the budget itself. I'll save other questions for what I imagine will be the main budget topics for tonight with the presentation. Will the presentation be available in the afternoon?

QUESTIONS:

- What kind of cost is there associated with running standing committees, like Global Troy or the Park and Recreation Committee? (I see there are expenses associated with the Planning Commission and ZBA, which make sense.) If there are expenses (e.g., printing/copies) for other committees, where are they accounted for in the budget?

Answers: Rob Maleszyk, Chief Financial Officer (unless otherwise noted)

Some committees have expenditures (printing/copies) come out of Supplies in various departments.

- Budget Stabilization Fund within Special Revenue Funds: When would the City utilize these funds, as opposed to using some of the fund balance of the General Fund or Capital Projects Fund for a general operating item or capital project, respectively? When is the last time that the City used the Budget Stabilization Fund?

Page 184 explains the use of the Budget Stabilization Fund for the General Fund. We went back as far as 2011 and didn't have any transfers.

- P. 9 and elsewhere (p. 33) says in so many words: "Grants [...] decreased primarily because of the CARES Act received in 2021 for COVID-19 relief." I would think that the grant numbers would have increased with the CARES Act funding. Or did other federal grant dollars decrease?

We received CARES Act in 2021 (\$4million). Thus, when comparing 2021 to 2022, 2022 is lower because we haven't accounted for anything in the 2022 budget yet. We do not budget these Covid Plans from the Feds until we receive the cash.

- Could we get a chart of where CARES Act funding went? It would help in communicating with residents.

Yes, we can get you some data.

- Would ARP resources - when available and when U.S. Treasury guidance is issued on their use - be accounted for in the Special Revenue Fund (because it's grant money for particular purposes)? But, I think I saw some CARES Act resources in the General Fund (p. 70). Can you explain where this type of federal funding goes in the budget? How is it accounted for in the budget?

Once we get guidance we can answer the question as to where the funds will be recorded. Most of the CARES Act was for general fund expenditures, thus was recorded as revenue in the general fund.

- Does the 8.10 millage rate max set by the 2008 City Charter Amendment only refer to General Fund operating millage and Capital Fund millage rate together? So any additional millage, whether a debt millage or a recreational millage, would not be impacted?

Correct on both questions.

- With regards to the state mandated personal property tax exclusions on manufacturing equipment, when did this begin? And do we get back exactly what has been lost in the state reimbursements? (p. 24 of budget)

Began in 2013. We get back our share of the Use Tax Fund. So far we have gotten back more each year than what we lost.

- The Unassigned Fund Balance for the General Fund (as % of the budget) appears to fall quite a bit from last FY to this FY -- from 30.9% to 22.7%. Can you share more why?

Yes, when we budget the General Fund, it is done on a conservative basis. The General Fund this year has a "Use of Fund Balance" of \$4.1 million. This causes the decrease that you mentioned. Each year we do a good job of not spending all budgeted funds and therefore the "Use of Fund Balance" will be less than budgeted.

- P. 90: What does it mean "# of City Strategies Addressed" when Council doesn't currently set them and didn't have any for this current FY?

Answer: City Manager's Office

Correct the Strategies are eliminated in this budget but we are still tracking previous Strategies.

- P. 91: It reads that funds for City Manager Office construction were carried over. Can you explain more?

Since Covid-19, we need to reassess what City Hall will be going forward and have postponed any changes to the Manager's office.

- Work like the Master Plan update will continue into this next FY - although we approved the contract with Carlisle Wortman for this FY. Is any of this captured in this new FY proposed budget? Or was everything paid out in the current FY?

There are funds in the Planning Department budget for Master Plan.

- P. 125: TPD Performance Indicators: Were the business checks during COVID proactive or in response to concerns reported at empty buildings (empty due to staff working from home)? I greatly appreciate this extra work on the part of TPD.

Answer: Andy Satterfield, Police Captain

The business and school checks during Covid were proactive checks to make sure the buildings were secured. Officers were providing extra patrols during the stay at home orders which left a large number of businesses and schools vacant. The majority of the attention was given toward our businesses to avoid any criminal activity which would have taken advantage of the vacant buildings.

- Did I hear earlier that the body cams were mostly paid for my drug forfeiture funds? Is this accounted for somewhere in the budget, as you read the line items?

Forfeiture will play a role. Yes, look at page 215 of the budget. We don't have any final numbers from forfeiture, so we estimated \$800,000.

- The sidewalk repair/replacement program was on hold last year to give residents a break during the challenging economic times of COVID. Will this go ahead this next FY? And when? (p. 235)

Answer: Scott Carruthers, Streets and Drains Operations Manager

The Sidewalk Replacement Program will commence this fiscal year hopefully this week, depending on the contractor's schedule and will continue in 2021-22. Sidewalk work typically takes place in the spring and late summer/early fall.

- Library: It seems like there are capital-like items in the Library Special Revenue Fund (e.g. youth center development) and under the Capital Projects Fund. Which is where? Is there a rule of thumb for which items go where with regards to the two funds? Or were some capital repairs mentioned in the Library Special Revenue Fund write-up, but are really funded via the Capital Projects Fund?

The Library Fund contributes to the Capital Projects Fund for their Resources and Capital Repairs. It is mentioned in both places. The funding comes from the Library Millage and ultimately is recorded and accounted for in the Capital Fund.

- To do follow up work on the resident engagement survey - such as host focus groups, in particular with populations who might not have taken the survey at the levels we had hoped for - is there any expense associated with this? Would it be accounted for in the budget?

Bob Bruner, Assistant to the City Manager

Funds are available in Council and Manager Other Service Charges and the budget can be amended if necessary.

Thank you and all very best,
Rebecca

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Rebecca Chamberlain-Creanga
Troy City Council Member
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From: David Hamilton

Sent: Monday, April 19, 2021 10:02 AM

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

Subject: More Budget/Assessment Questions

1.) I noticed that both Somerset and Macys had huge drops in taxable value (and assessed value), by comparing the top 20 taxpayers from 2020 to 2021. I know this is due to the pandemic and its effect on retail sales, but I'm curious to get more detail on how this is calculated. In the past Nino has done a great job detailing how the numbers are calculated for commercial and industrial properties. Considering that the Somerset drop in value has contributed quite a bit to the DDA's lower tax capture this year, I'd like to know more detail on the math for those particular parcels.

Answers: Nino Licari, City Assessor

Because of the restricted hours retail suffered due to the pandemic, I reduced their Taxable Value as a loss. In general terms, small strip centers were receiving no rent at all. This makes the Income Approach to Value unusable. In these instances, we generally treat the building as if it were vacant, and remove 25% of the building value (land is not affected).

Larger retail stores and the malls fared better, and I removed ½ of the 25% of building value (actually 13%, because no decimals are allowed in the appraisal software). The 25% reduction was also used for stand-alone Restaurants, the Movie Theater, Hotels, Skating Rinks, Catering Halls and the like.

Since these reductions are taken as a loss, they will come back on as new, and go directly on Taxable Value, as new is exempt from the cap. At this point it looks like it may be 2 to 3 years before it all rolls back up.

1.) Are the Macy's parcels in both Oakland and Somerset Malls?

In the Top Twenty for the City as a whole both locations are included.
In the Top Twenty for the DDA only the Somerset Collection is included.

Thanks,

David Hamilton
Troy City Council Member

From: David Hamilton
Sent: Monday, April 19, 2021 10:52 AM
To: City Manager Distribution Group <CityManager@troymi.gov>
Subject: Re: More Budget/Assessment Questions

2.) Also do this for Kelly Services, as I see their taxable value dropped quite a bit too. Thanks.

Answer: Nino Licari, City Assessor

Kelly Services taxable value went down because they sold all 3 of their buildings, so they only have Personal Property on the roll now.

David Hamilton
Troy City Council Member

