

CITY OF TROY

# BUDGET **PRESENTATION**

2022/2023 PROPOSED BUDGET

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# Agenda

## **Budget in Brief**

### **Trends and Summaries**

#### **General Fund**

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

#### **Special Revenue Funds**

- Major Street Fund
- Local Street Fund
- Refuse & Recycling
- Library Fund

#### **Debt Service Fund**

## **Capital Projects Fund**

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

## **Enterprise Funds**

- Golf
- Aquatic Center
- Water & Sewer

## **Internal Service Funds**

- Facilities & Grounds
- Fleet
- Information Technology

## **Questions & Answers**

# BUDGET IN BRIEF

2022/2023 PROPOSED BUDGET

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MARK F. MILLER | CITY MANAGER

# Budget in Brief | Challenges, Priorities and Issues

## **Strengths**

- AAA bond rating
- Little General Obligation debt (approximately 3% of the City's legal maximum)
- Tax base growth (4.34%) exceeds inflation (3.3%)

## **Weaknesses**

- Aquatic Center Fund structural deficit
- Capital Projects Fund structural deficit
- Sanctuary Lake Golf Course Fund structural deficit

# Budget in Brief | Challenges, Priorities and Issues

## Threats

- Headlee Amendment & Proposal A limit tax base growth to 5%
- Inflation will likely exceed 5% this year
- Emergency Medical Services (EMS) agreement with Alliance Mobile Health ends December 31, 2022
  - Currently \$588,000 annually; expect an increase

## Opportunities

- \$8.2 million Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
- \$1.5 million federal Community Project Funding (House Appropriations Committee)
- 9.7% State Shared Revenue increase due to population increase (Census 2020)

# Budget in Brief | Challenges, Priorities and Issues

## **Budget Priorities**

- Preserve public health, safety and welfare
- Maintain core facilities and infrastructure
- Maintain the Community Center and other recreational facilities
- Enhance the City's communication and community engagement capabilities
- Augment the City's employee attraction, engagement, and retention capabilities

# Budget in Brief | By The Numbers

**Total City revenues (before transfers in) increase 12.43% from \$145.74 to \$163.84 million**

- Primarily due to one-time federal funding

**Total tax revenues increase 4.34% from \$54.81 to \$57.19 million.**

- Primarily due to real property taxable value increases
- 2022 Inflation Rate Multiplier is 3.3%, the greatest since 2009

# Budget in Brief | By The Numbers

## **Charges for services increase 3.52% from \$52.18 to \$54.01 million**

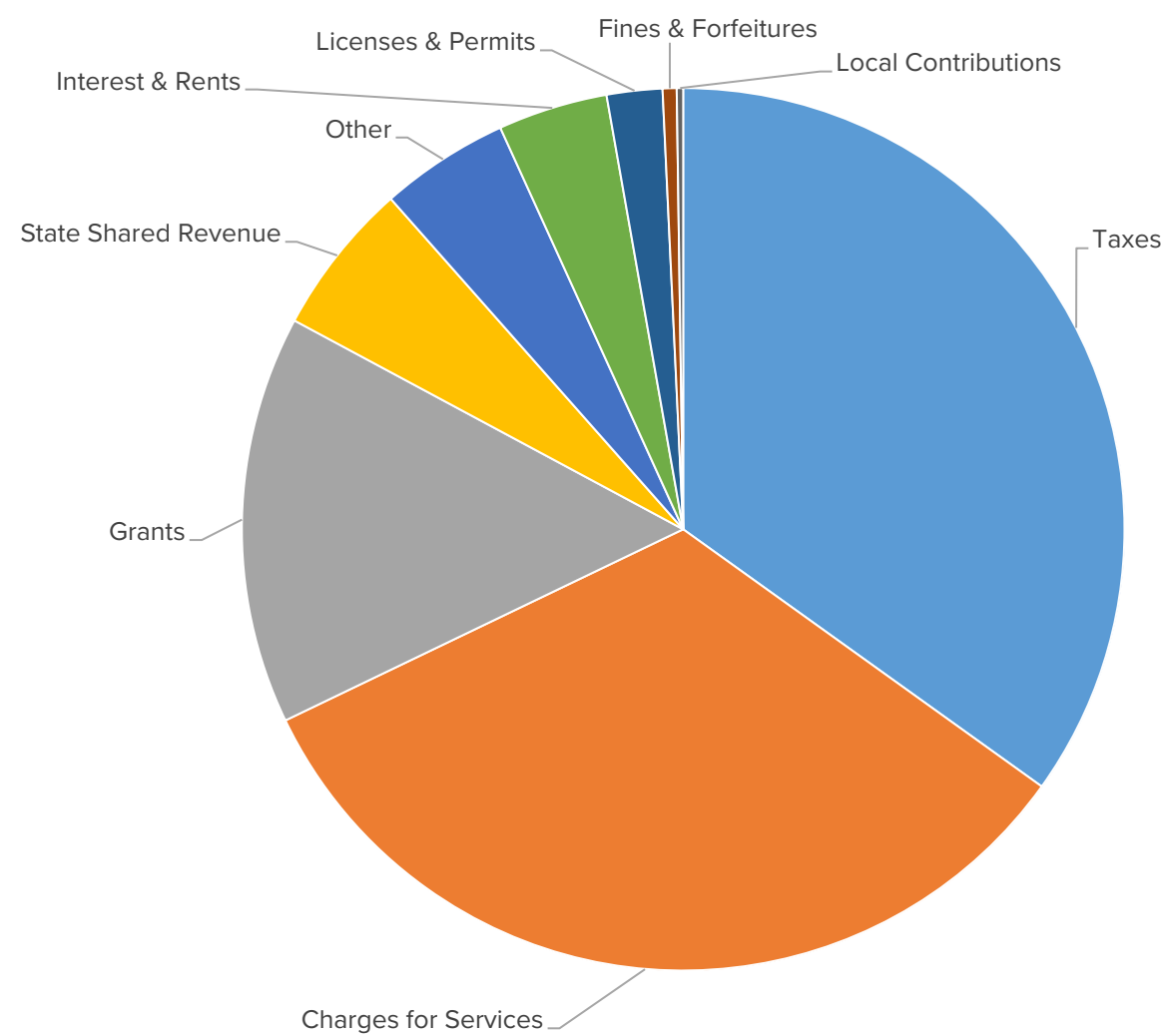
- Primarily due to water and sanitary sewer sales, based on a normal season of approximately 470 thousand mcf in sales volume and stabilizing revenues as we continue to move out of the pandemic

## **Grants, including State Shared Revenue, increase 67.81% from \$20.12 to \$33.76 million**

- Primarily due to Coronavirus State and Local Fiscal Recovery Funds (SLFRF) via the American Rescue Plan Act (ARPA)



# Revenues | All Funds



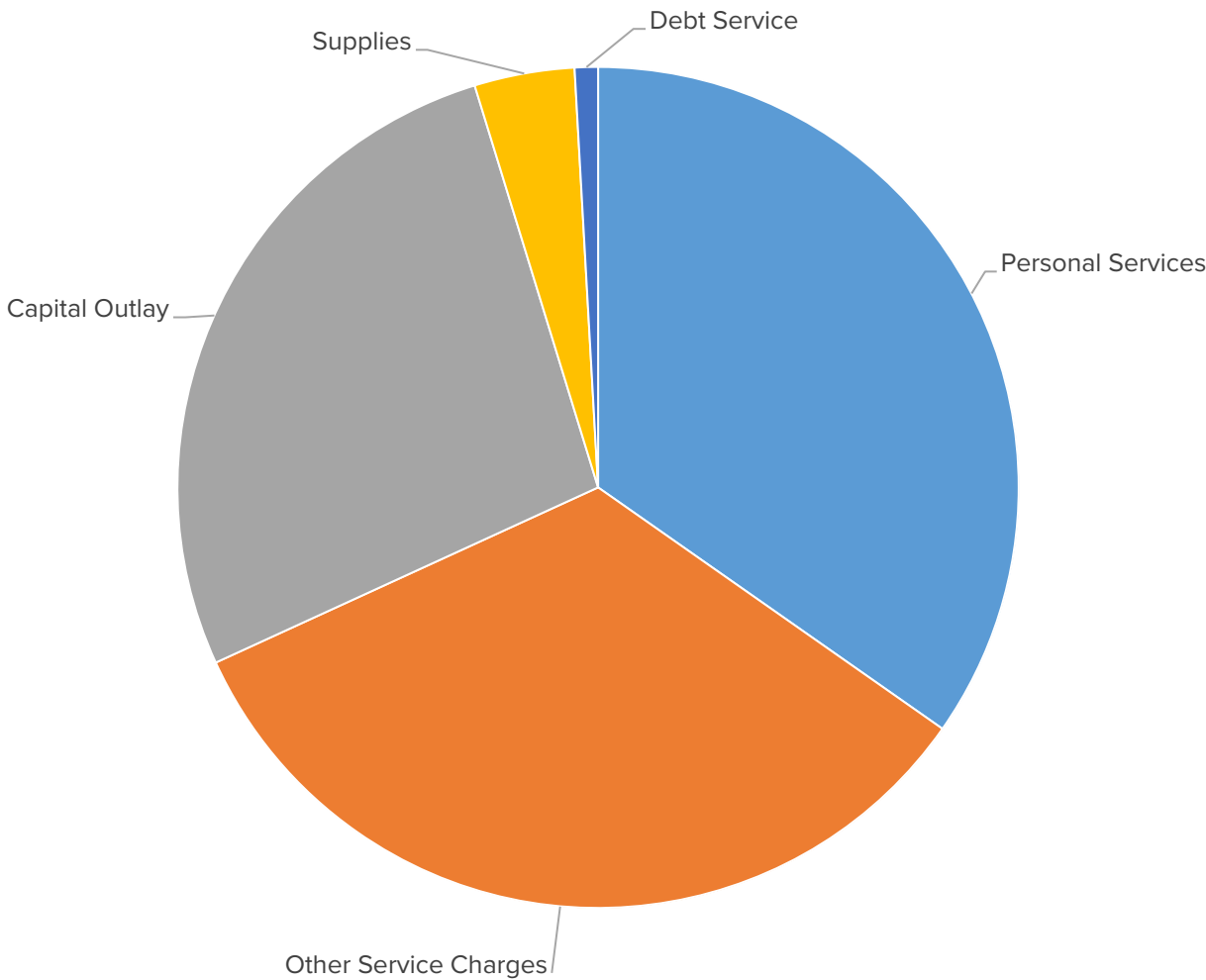
REVENUE	DOLLARS	PERCENT
Taxes	\$57,189,200	35%
Charges for Services	\$54,010,950	33%
Grants	\$24,536,545	15%
State Shared Revenue	\$9,222,100	6%
Other	\$7,743,655	5%
Interest & Rents	\$6,583,580	4%
Licenses & Permits	\$3,336,610	2%
Fines & Forfeitures	\$839,000	0%
Local Contributions	\$383,000	0%
TOTAL	\$163,844,640	

# Budget in Brief | By The Numbers

## **Total expenditures (before transfers out) increase 6.09% from \$176.20 to \$186.93 million**

- Capital outlay expenditures increase 10.61% from \$45.79 to \$50.65 million primarily due to one-time federal funding
- Personal services expenditures increase 4.81% from \$61.95 to \$64.92 million primarily due to cost of living adjustments and new positions

# Expenditures | All Funds



EXPENDITURES	DOLLARS	PERCENT
Personal Services	\$64,924,790	35%
Other Service Charges	\$62,492,020	33%
Capital Outlay	\$50,652,950	27%
Supplies	\$7,194,258	4%
Debt Service	\$1,670,195	1%
TOTAL	\$186,934,213	

# Budget in Brief | By The Numbers

## **Personnel Summary**

Overall, 18 full-time employee positions were added to the 2022/23 budget related to improving services

- Building Department: Five new positions for insourcing
- Police Department: Five new positions for operational needs
- Library: Three employees for additional services
- Human Resources: Two new positions for increased operations
- Manager's Office: One new community engagement position
- Planning Department: One new position for insourcing
- Recreation Department: One new position for operational needs

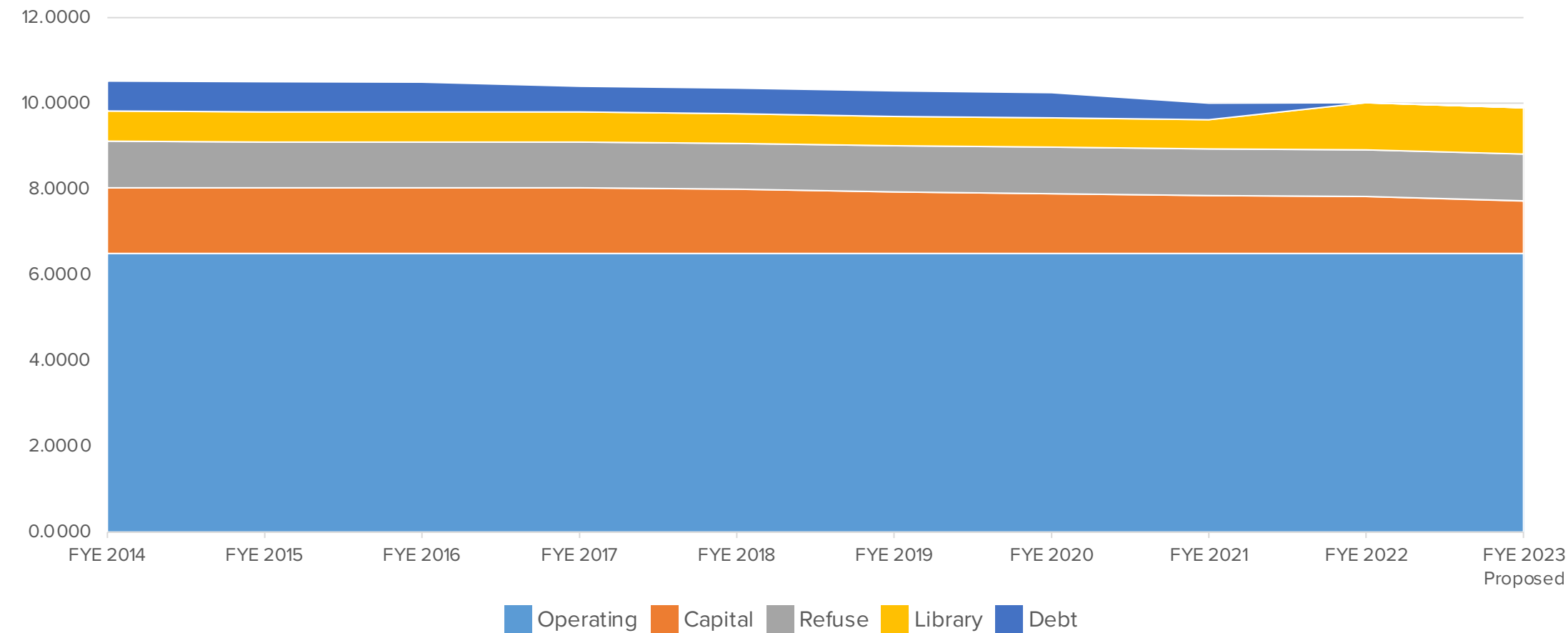
# TRENDS AND SUMMARIES

2022/2023 PROPOSED BUDGET

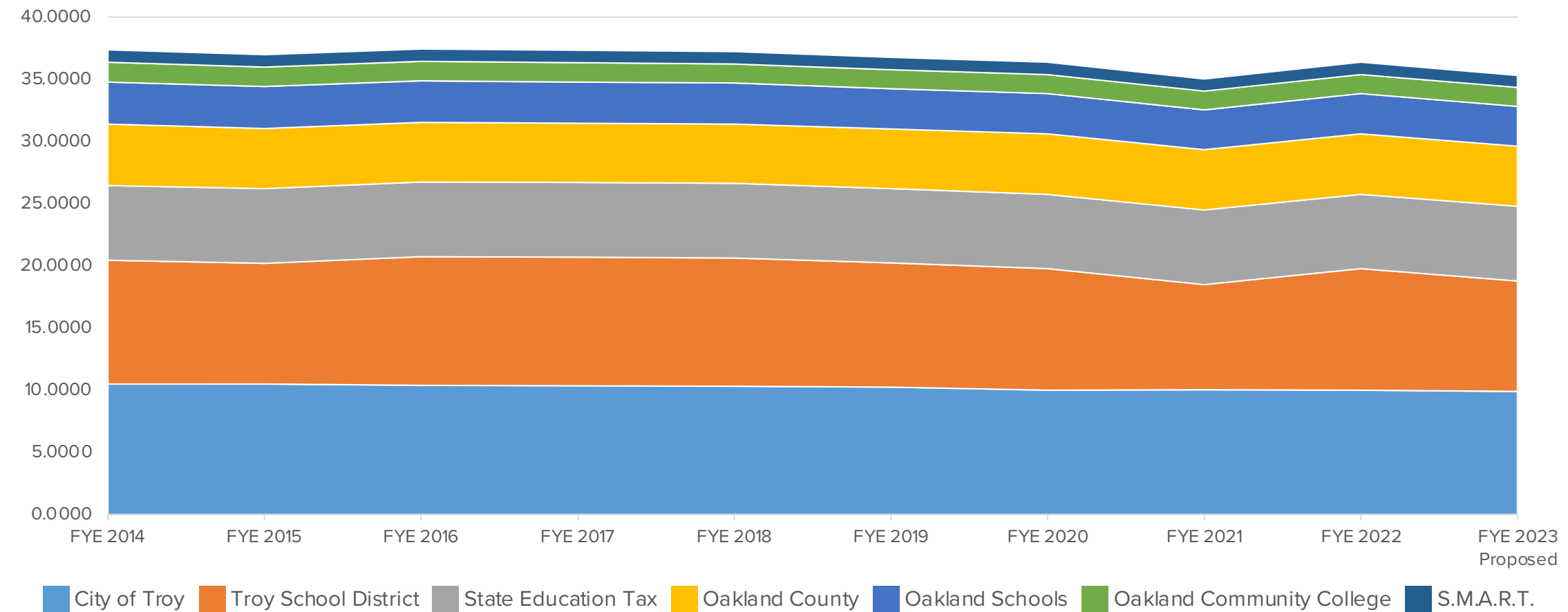
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ROBERT J. BRUNER | ASSISTANT CITY MANAGER

# Trends and Summaries | City Millage Rates

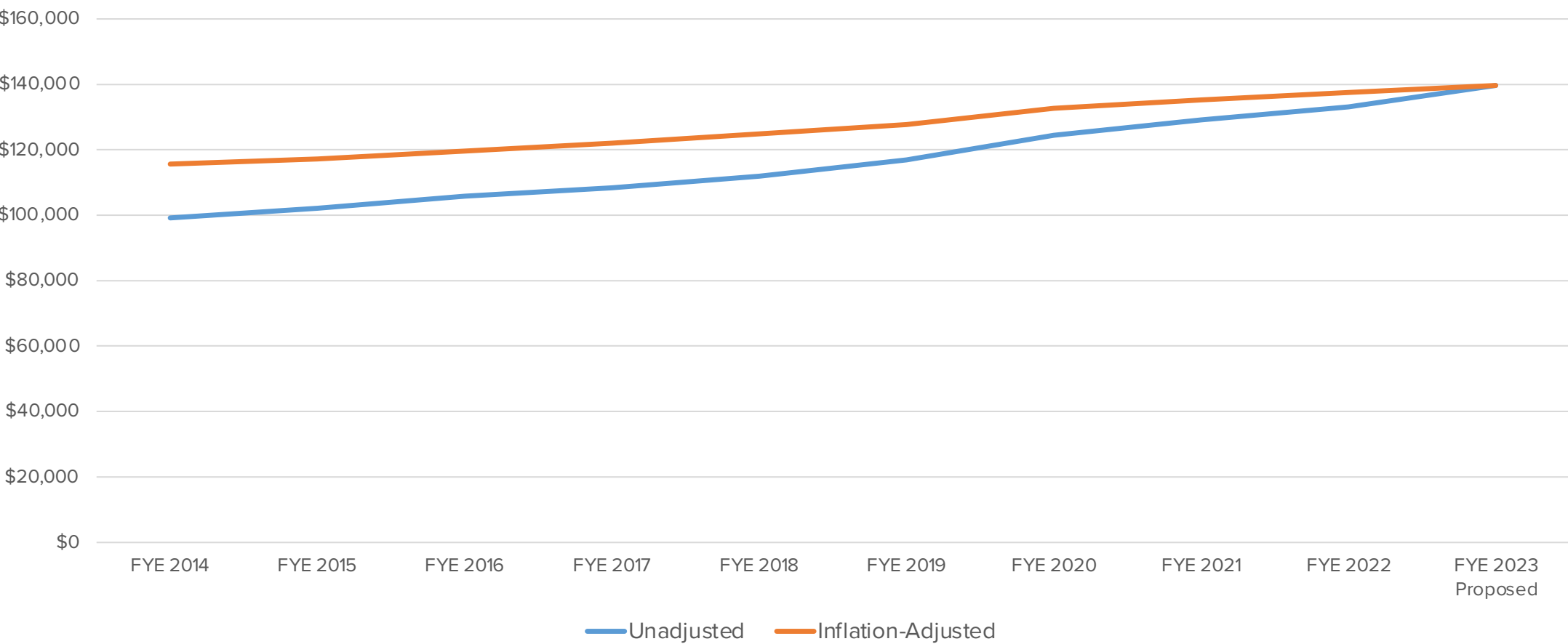


# Trends and Summaries | Total PRE Millage Rate



# Trends and Summaries

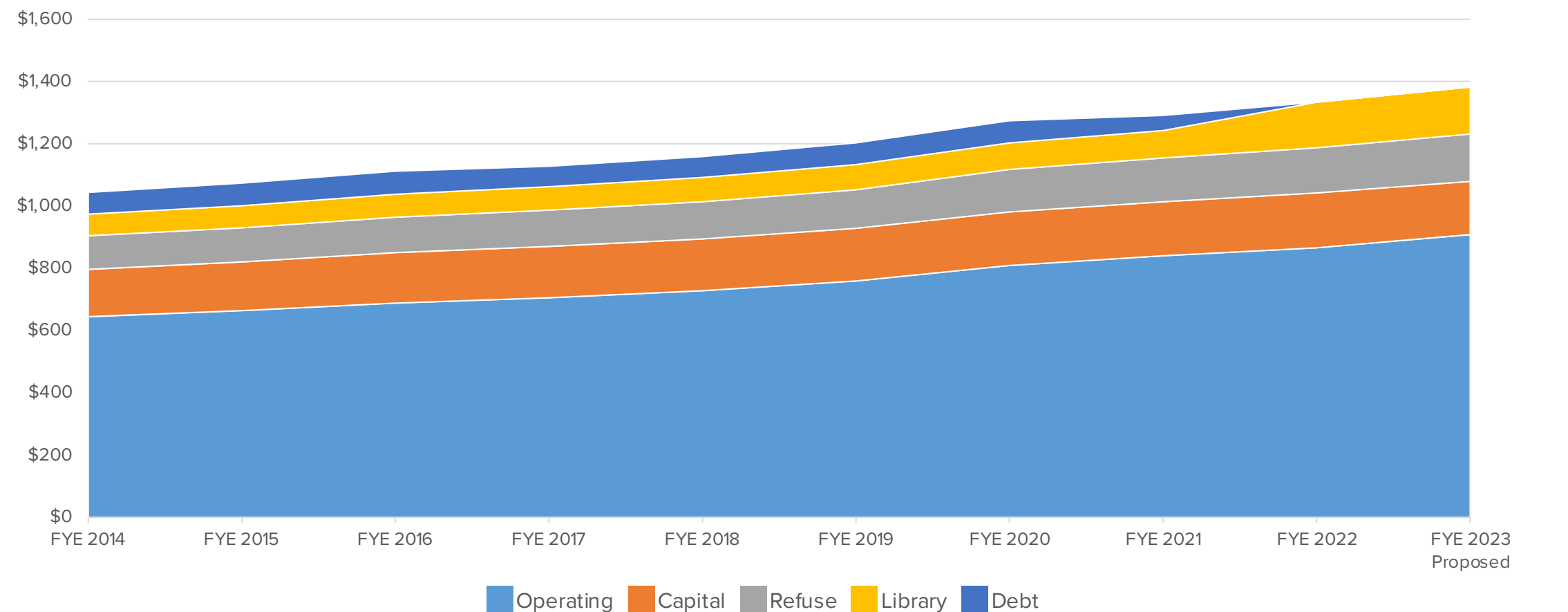
## Average Residential Taxable Value





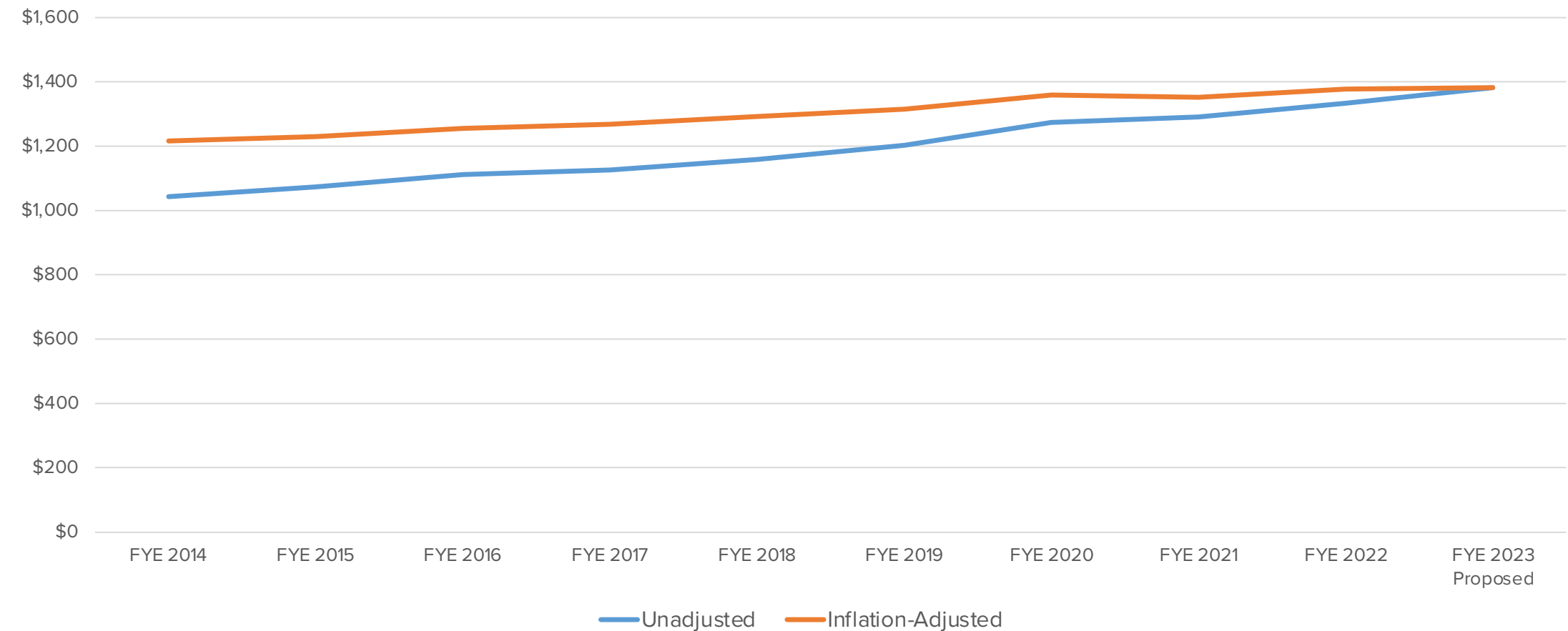
# Trends and Summaries

## Average Troy City PRE Tax

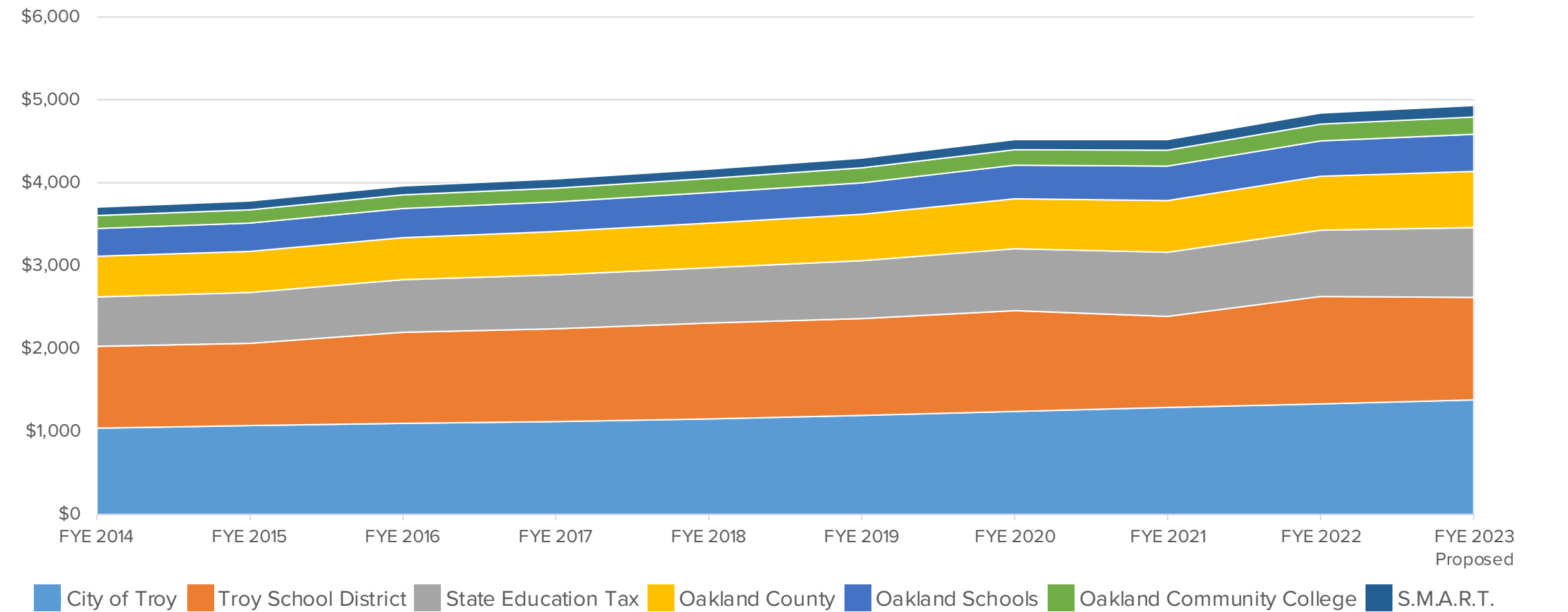


# Trends and Summaries

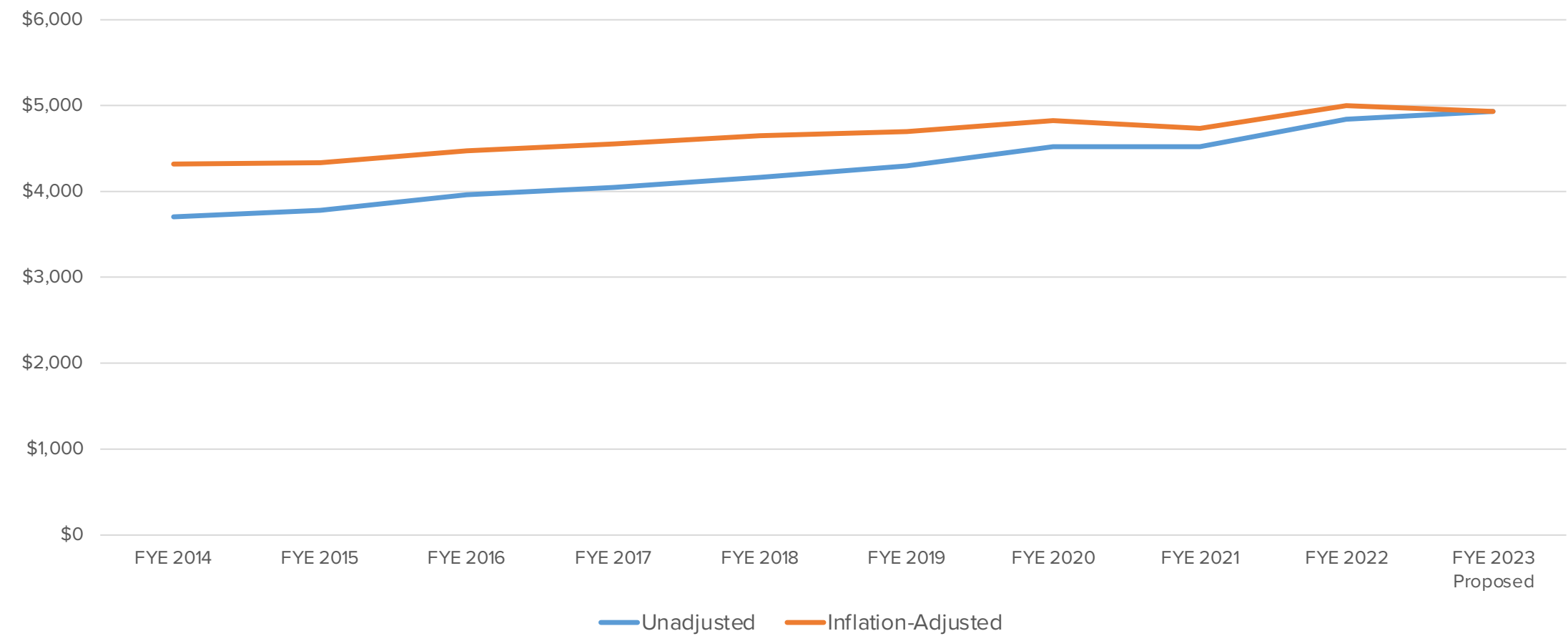
## Average Troy City PRE Tax



# Trends and Summaries | Total Troy PRE Tax



# Trends and Summaries | Total Troy PRE Tax



# GENERAL FUND

2022/2023 PROPOSED BUDGET

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ROBERT C. MALESZYK | CHIEF FINANCIAL OFFICER

# General Fund | Revenues

**Total Revenues & Other Financing Sources increase 5.75% from \$58.85 million to \$62.24 million**

- \$1.95 million Tax revenue increase
- \$820,000 State Shared Revenue increase
- \$640,000 licenses and permit revenue increase

**Tax revenues increase 5.38% from \$36.29 million to \$38.24 million**

- Although residential assessed values have seen modest increases since 2014, commercial assessed values have stabilized and are beginning to yield small trends upward
- Taxable value can only increase the lesser of inflation or 5%
- 2022 Inflation Rate Multiplier is 3.3%, the greatest since 2009

# General Fund | Revenues

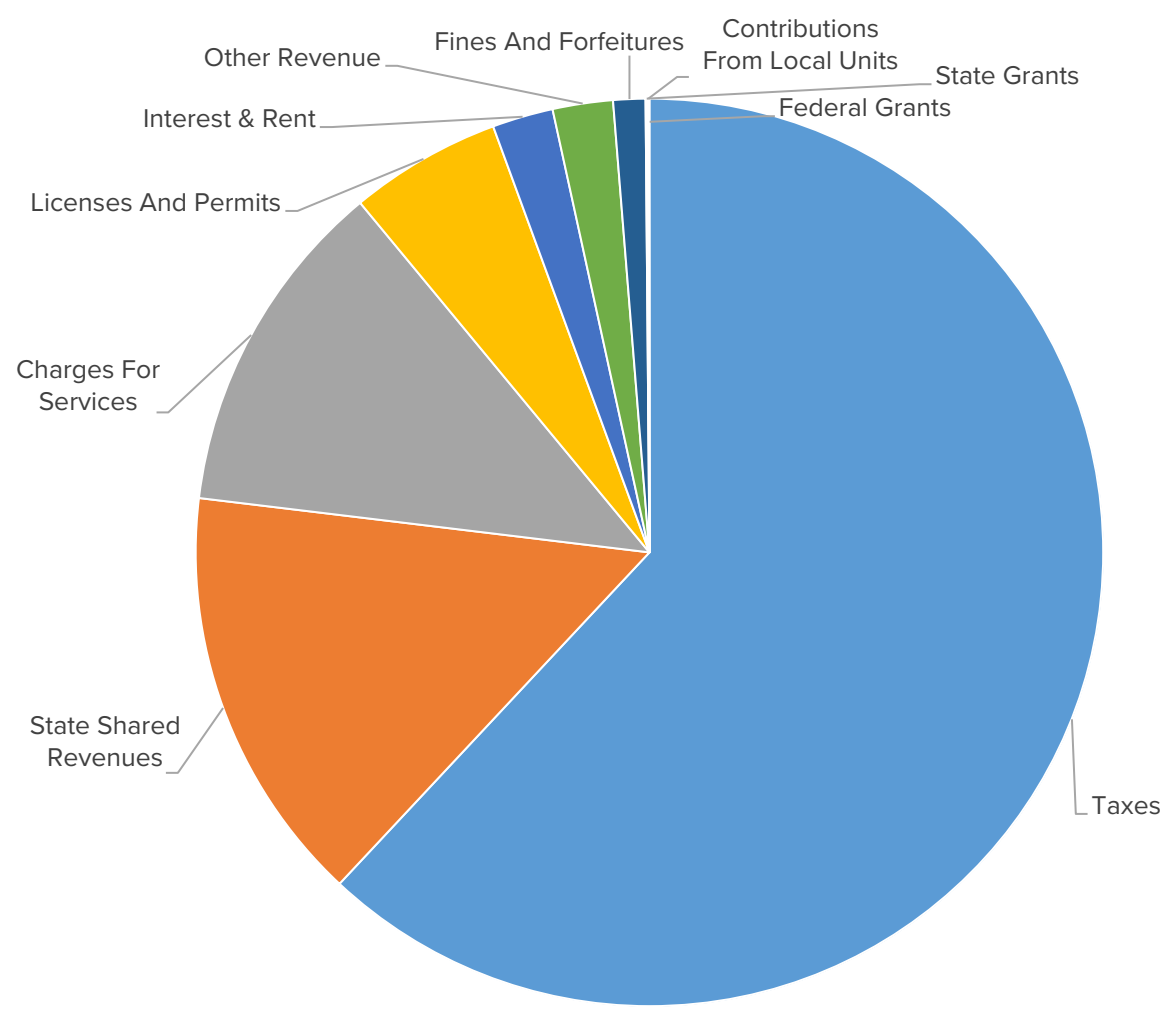
**State Shared Revenues increase 9.70% from \$8.41 million to \$9.22 million**

- State sales tax revenue exceeded estimates during the pandemic

**Charges For Services increase 0.12% from \$7.45 million to \$7.46 million**

- Basically flat

# General Fund | Revenues by Category



REVENUE	DOLLARS	PERCENT
Taxes	\$38,239,200	62%
State Shared Revenues	\$9,222,100	15%
Charges For Services	\$7,457,050	12%
Licenses And Permits	\$3,336,610	6%
Interest & Rent	\$1,338,780	2%
Other Revenue	\$1,324,200	2%
Fines And Forfeitures	\$706,000	1%
State Grants	\$41,000	0%
Contributions From Local Units	\$32,000	0%
Federal Grants	\$11,000	0%
TOTAL	\$61,707,940	

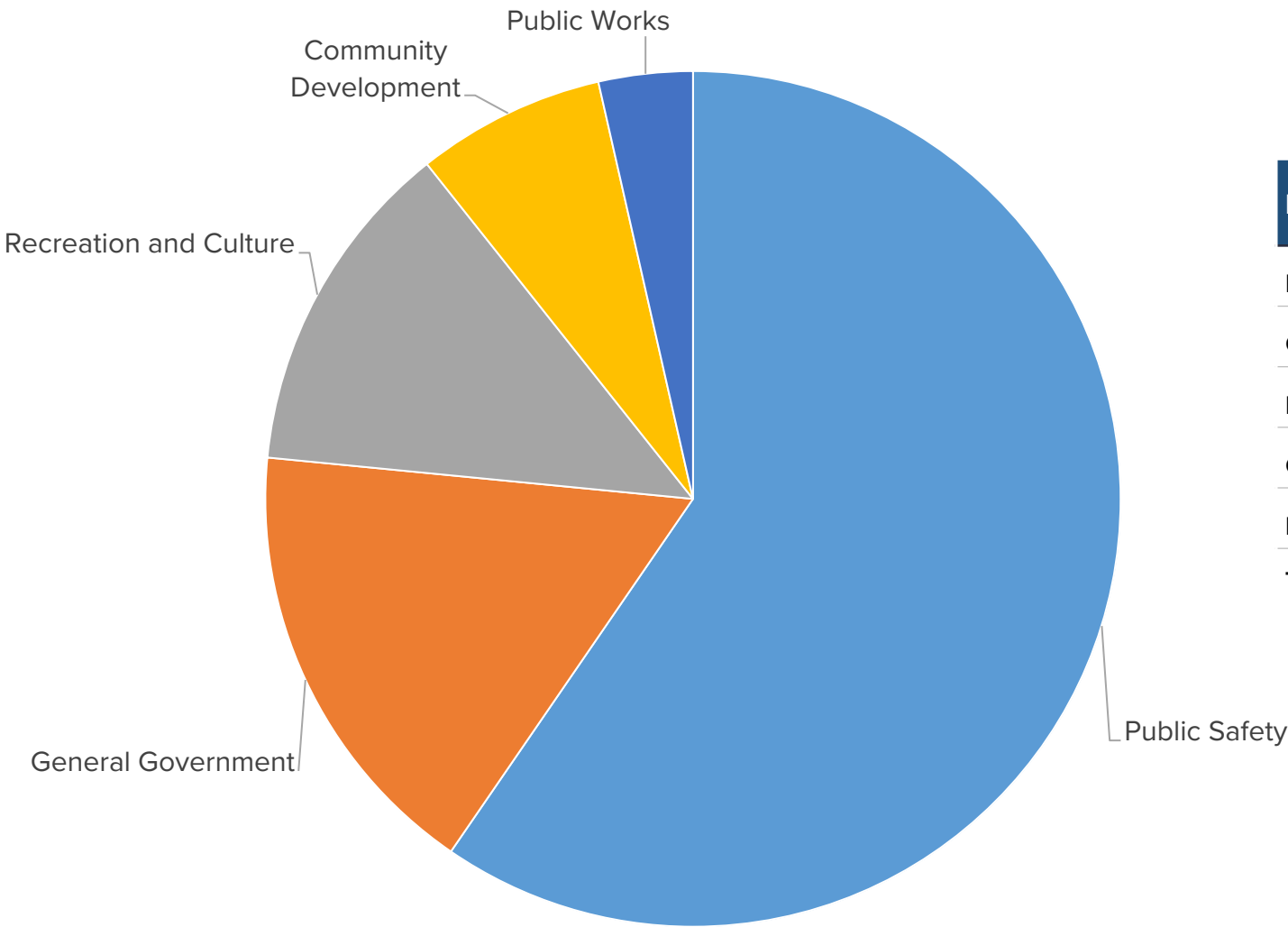


# General Fund | Expenditures

**Total expenditures and other financing uses increase 6.53% from \$63.12 to \$67.24 million**

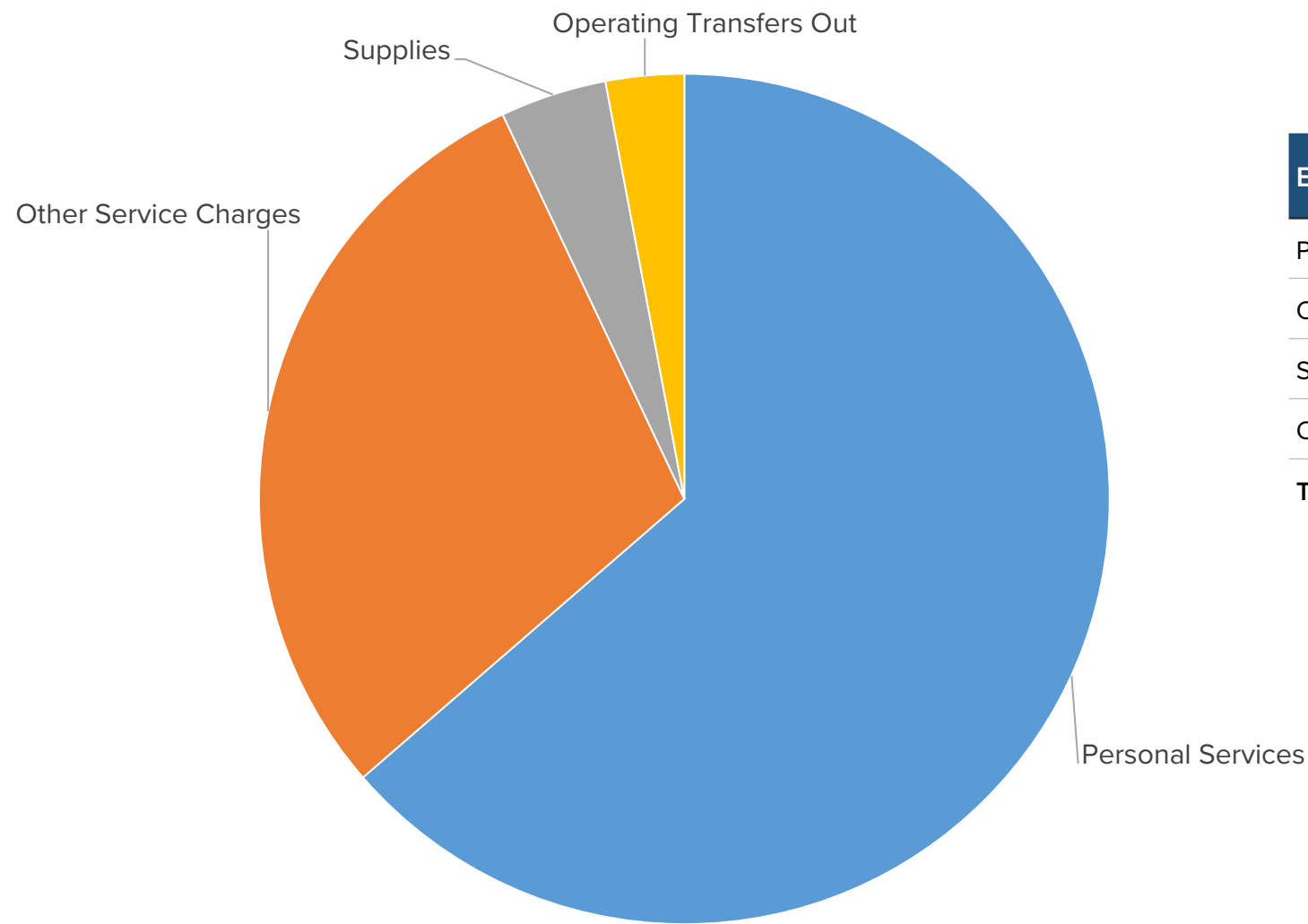
- \$2.26 million personnel cost increase
- \$1.00 million transfers out increase
- \$610,000 contractual services increase

# General Fund | Expenditures by Budgetary Center



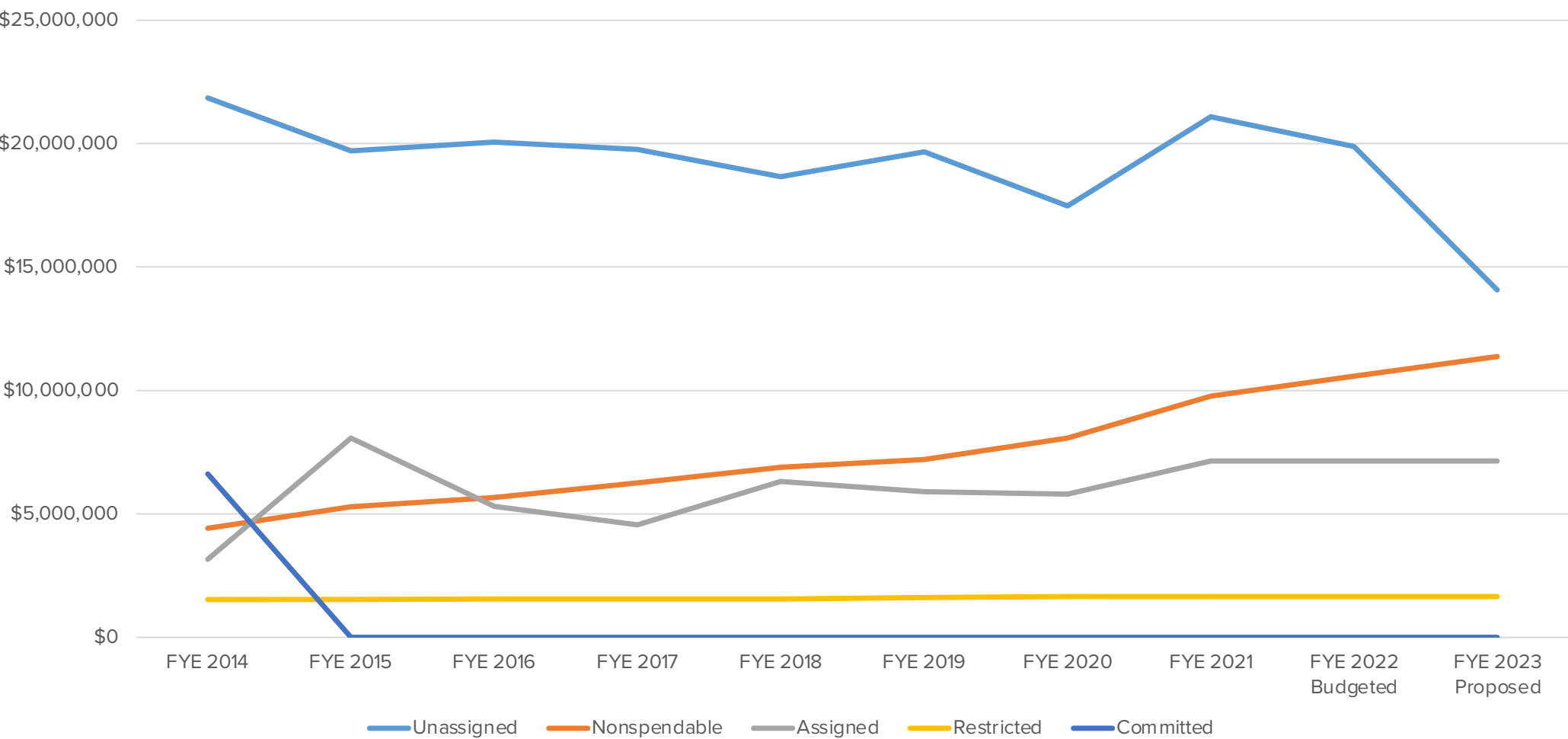
EXPENDITURE	DOLLARS	PERCENT
Public Safety	\$38,869,030	60%
General Government	\$11,067,484	17%
Recreation and Culture	\$8,328,928	13%
Community Development	\$4,655,464	7%
Public Works	\$2,319,121	3%
TOTAL	\$65,240,027	

# General Fund | Expenditures by Category



EXPENDITURE	DOLLARS	PERCENT
Personal Services	\$42,786,660	64%
Other Service Charges	\$19,730,257	29%
Supplies	\$2,723,110	4%
Operating Transfers Out	\$2,000,000	3%
TOTAL	\$67,240,027	

# General Fund | Fund Balance



# General Fund | General Government

## **Expenditures increase 16.16% from \$9.53 to \$11.07 million**

- Primarily due to increases in Finance and Council/Executive Administration for additional FTEs and elections for the upcoming mid-terms in November 2022



# General Fund | Public Safety

**Expenditures increase 1.83% from \$38.17 to \$38.87 million**

- Includes Police and Fire labor contract increases and five new Police department positions





# General Fund | Public Works

**Expenditures increase 8.41% from \$2.14 to \$2.32 million**

- Primarily due to increases in maintenance and labor costs





# General Fund | Community Development

**Expenditures increase 4.72% from \$4.45 to \$4.66 million**

- Includes new Commercial Project Collaborator position





# General Fund | Recreation & Culture

**Expenditures increase 6.25% from \$7.84 to \$8.33 million**

- Increased maintenance costs
- Includes new Recreation supervisor position



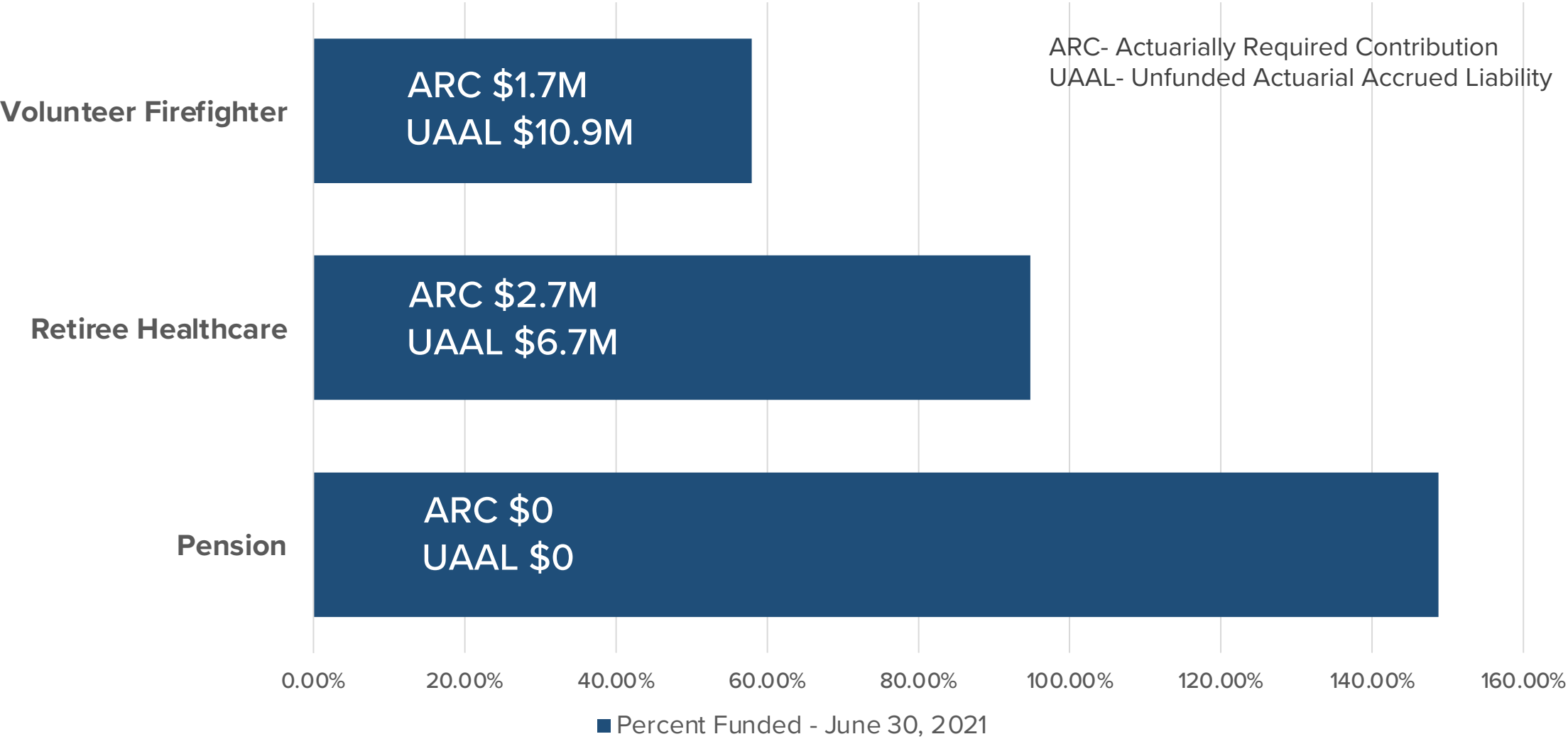
# General Fund | Transfers Out

## **Operating Transfers Out increased from \$1.0 million to \$2.0 million**

- These funds will be used to fund additional capital purchases during the fiscal year



# Retirement & OPEB Liabilities



# SPECIAL REVENUE FUNDS

2022/2023 PROPOSED BUDGET

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ROBERT J. BRUNER | ASSISTANT CITY MANAGER



# Special Revenue Funds | Major Street Fund

- Revenues increase 8.02% from \$6.98 to \$7.54 million
- Expenditures decrease 11.15% from \$8.34 to \$ 7.41 million



# Special Revenue Funds | Local Street Fund

- Revenues increase 3.75% from \$4.27 to \$4.43 million
- Expenditures increase 3.47% from \$5.18 to \$5.36 million





# Special Revenue Funds | Refuse & Recycling

- Revenues increase of 5.78% from \$5.76 to \$ 6.09 million
- Expenditures increase of 4.51% from \$5.75 to \$6.01 million





# Special Revenue Funds | Library

- Revenues increase of 4.64% from \$6.03 to \$6.31 million
- Expenditures increase of 23.84% from \$5.83 to \$7.22 million
  - \$1.9 million youth area renovation





# DEBT SERVICE & CAPITAL FUNDS

2022/2023 PROPOSED BUDGET

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ROBERT C. MALESZYK | CHIEF FINANCIAL OFFICER

# Debt Service Fund

## **The debt service requirement for fiscal year 2022-2023 is \$600,000**

- Debt approved by voters in 1999 was paid off in fiscal year 2021
  - Bonding Proposal A Streets, Roads and Streetscape Improvements
  - Bonding Proposal B Public Safety Facilities and City Hall
  - Bonding Proposal C Community Center and Recreational Facilities
- Series 2013 DDA General Obligation Debt was refinanced in fiscal year 2021
- The debt is financed by transfers from the DDA
- The total debt outstanding at June 30, 2022 will be \$10.1 million and is scheduled to be paid off by 2034

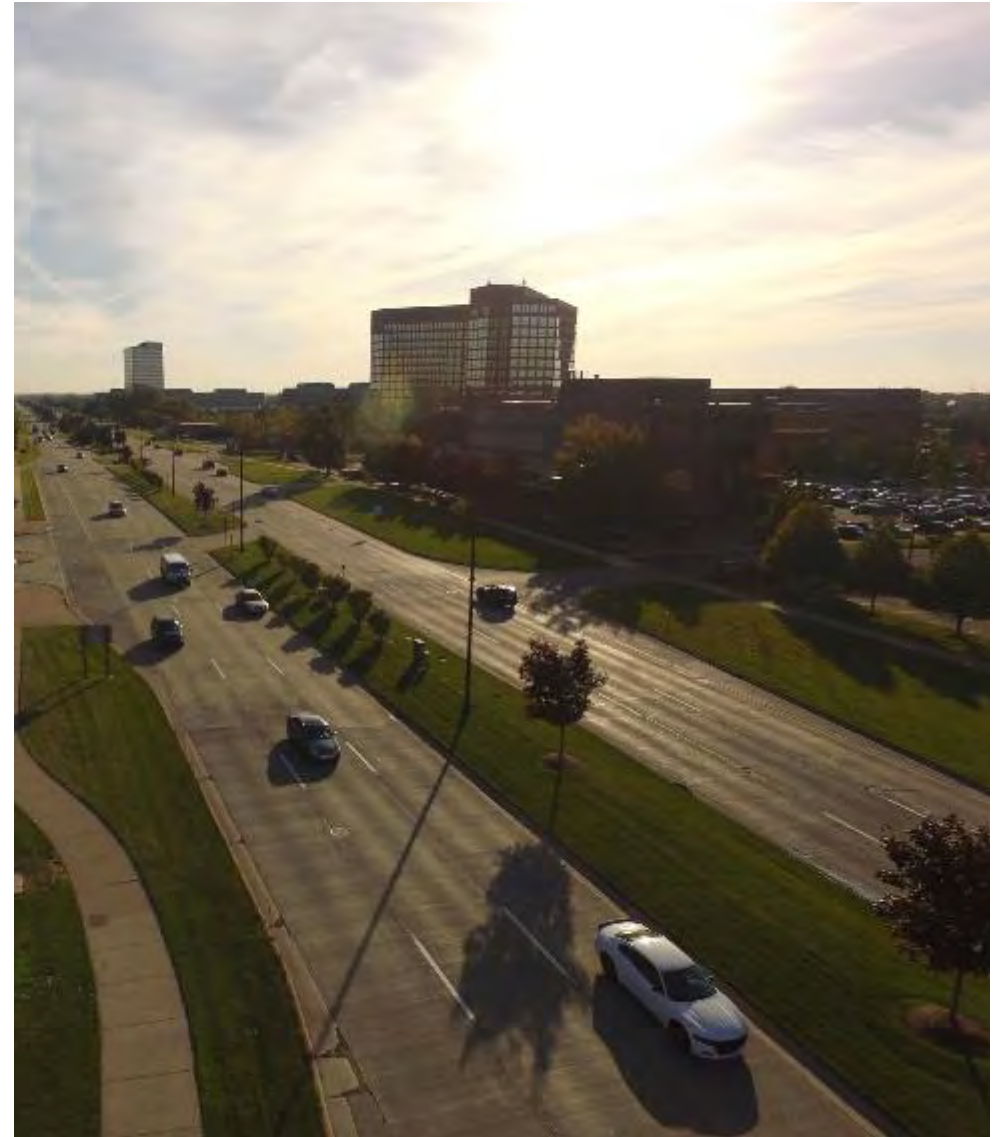
# Capital Projects Fund

## Many Needs

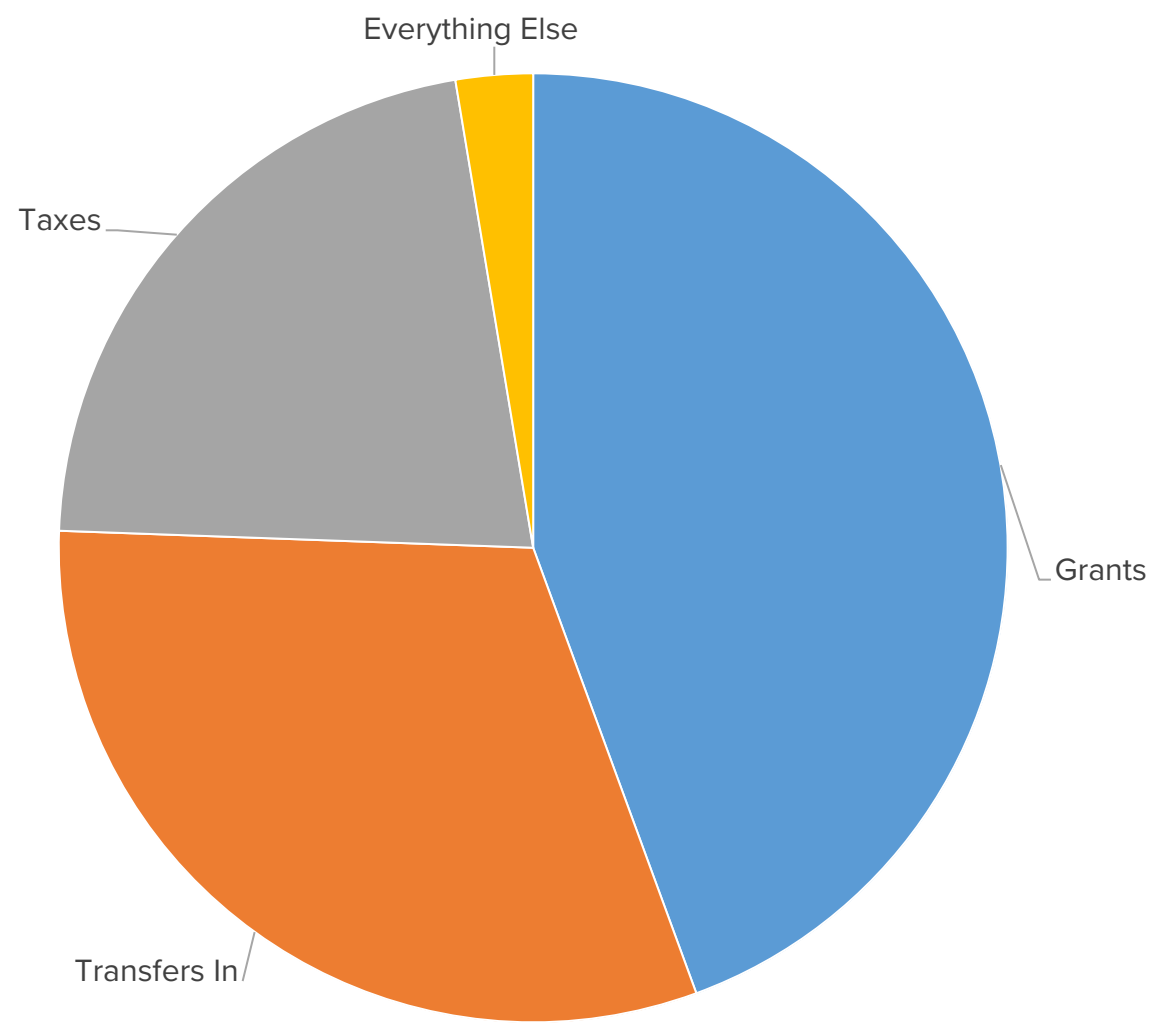
- Maintain core facilities and infrastructure
- Maintain the Community Center and other recreational facilities

## Current Funding

- Revenues increase more than 121%, from \$9.69 to \$21.47 million, primarily due to one-time federal funding
- Transfers-in increase 9.71%, from \$8.86 to \$9.72 million, primarily due to 100% General Fund increase from \$1 to \$2 million
- Taxes decrease 2.97%, from \$7.01 to \$6.80 million, due to Headlee Rollback from 1.3312 to 1.2270 mills

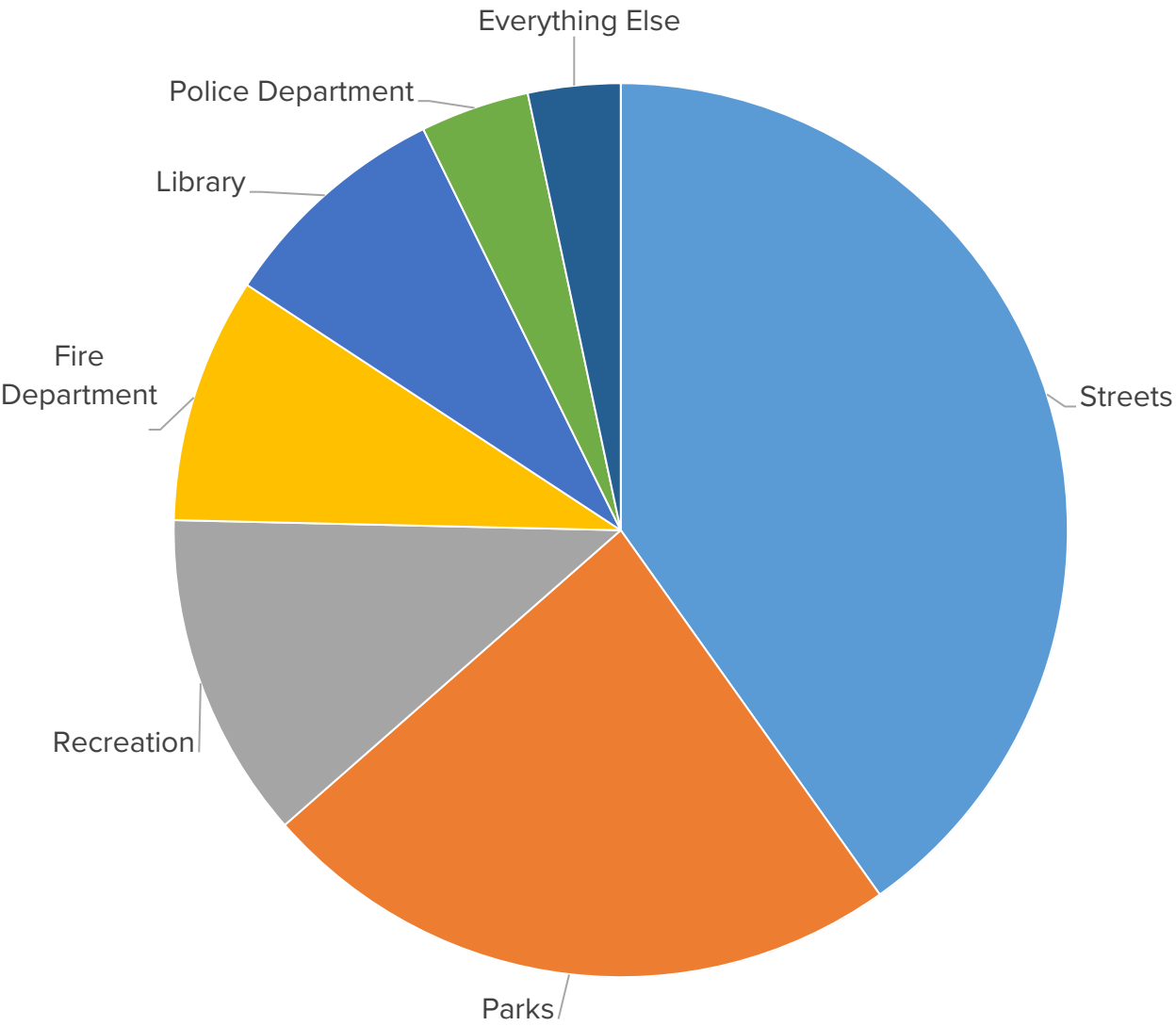


# Capital Projects Fund | Revenues



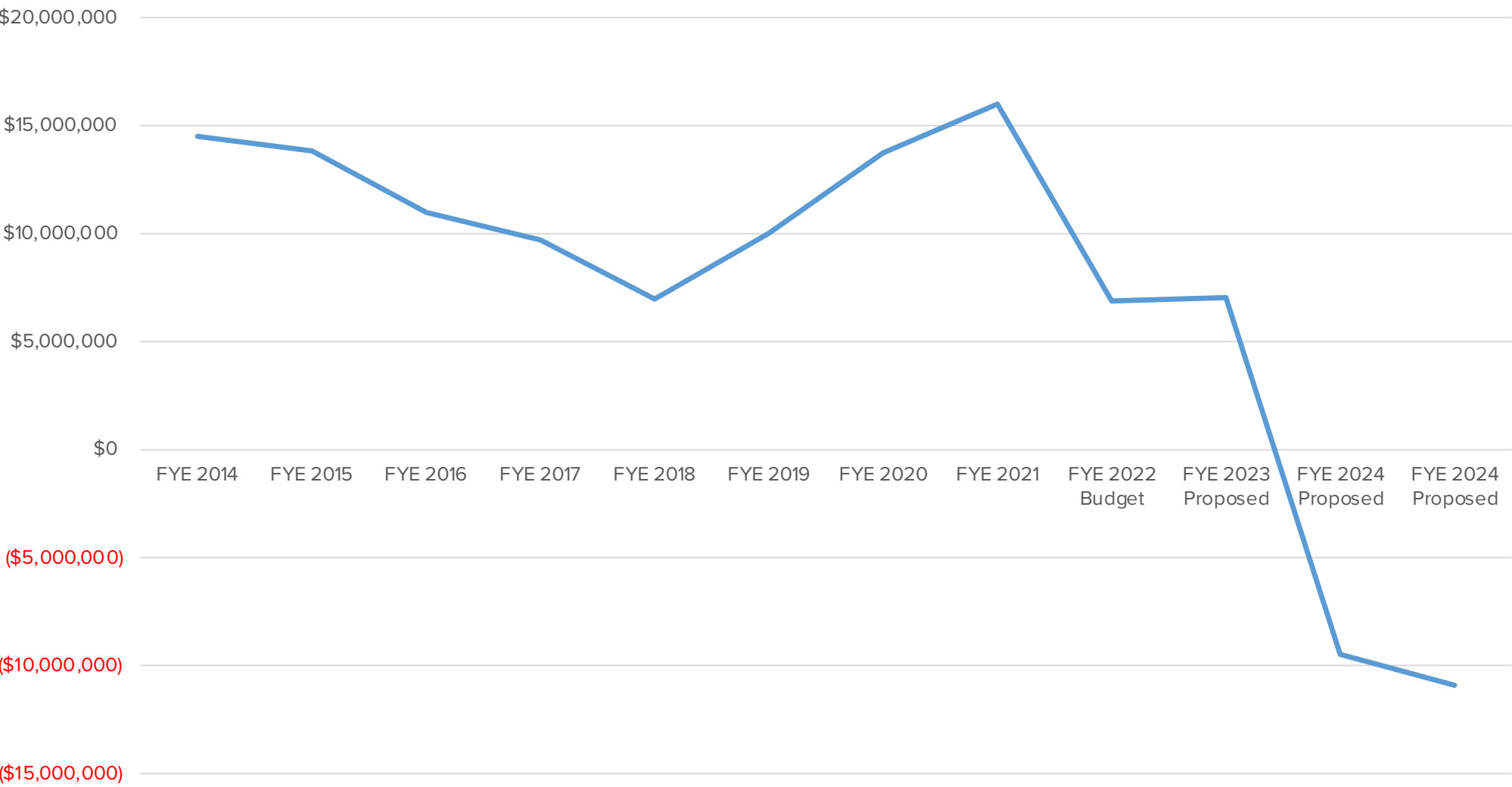
REVENUE	DOLLARS	PERCENT
Grants	\$13,851,545	44%
Transfers In	\$9,718,000	31%
Taxes	\$6,800,000	22%
Everything Else	\$819,000	3%
TOTAL	\$31,188,545	

# Capital Projects Fund | Expenditures



EXPENDITURES	DOLLARS	PERCENT
Streets	\$13,713,000	40%
Parks	\$7,980,000	23%
Recreation	\$4,037,000	12%
Fire Department	\$3,033,950	9%
Library	\$2,893,000	9%
Police Department	\$1,346,000	4%
Everything Else	\$1,140,000	3%
TOTAL	\$34,142,950	

# Capital Projects Fund | Fund Balance



# Capital Projects Fund | SLFRF

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan Act (ARPA), delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.

## **Recipients may use SLFRF funds to:**

- Replace lost public sector revenue
- Respond to the far-reaching public health and negative economic impacts of the pandemic
- Provide premium pay for essential workers
- Invest in water, sewer, and broadband infrastructure

**City Management proposes using this one-time revenue for capital projects as follows**

# Capital Projects Fund

## Streets | \$13.71 million

- \$2.2 million from SLFRF
- \$9.3 million for Major Roads
- \$3.5 million for Local Roads



## Parks | \$7.98 million

- \$4.5 million from SLFRF
- \$1.5 million from federal  
Community Project Funding
- \$6.0 million for Stine Community Park





# Capital Projects Fund

## Recreation | \$4.04 million

- \$3.6 million for Buildings and Improvements



## Fire Department | \$3.03 million

- \$1.4 million from SLFRF
- \$2.9 for Apparatus Replacement



# Capital Projects Fund

## **Library | \$2.89 million**

- \$2.2 million for Buildings and Improvements



## **Police Department | \$1.35 million**

- \$713,000 for Communications
- \$463,000 for Road Patrol
- \$170,000 for Police Administration



# ENTERPRISE FUNDS

2022/2023 PROPOSED BUDGET

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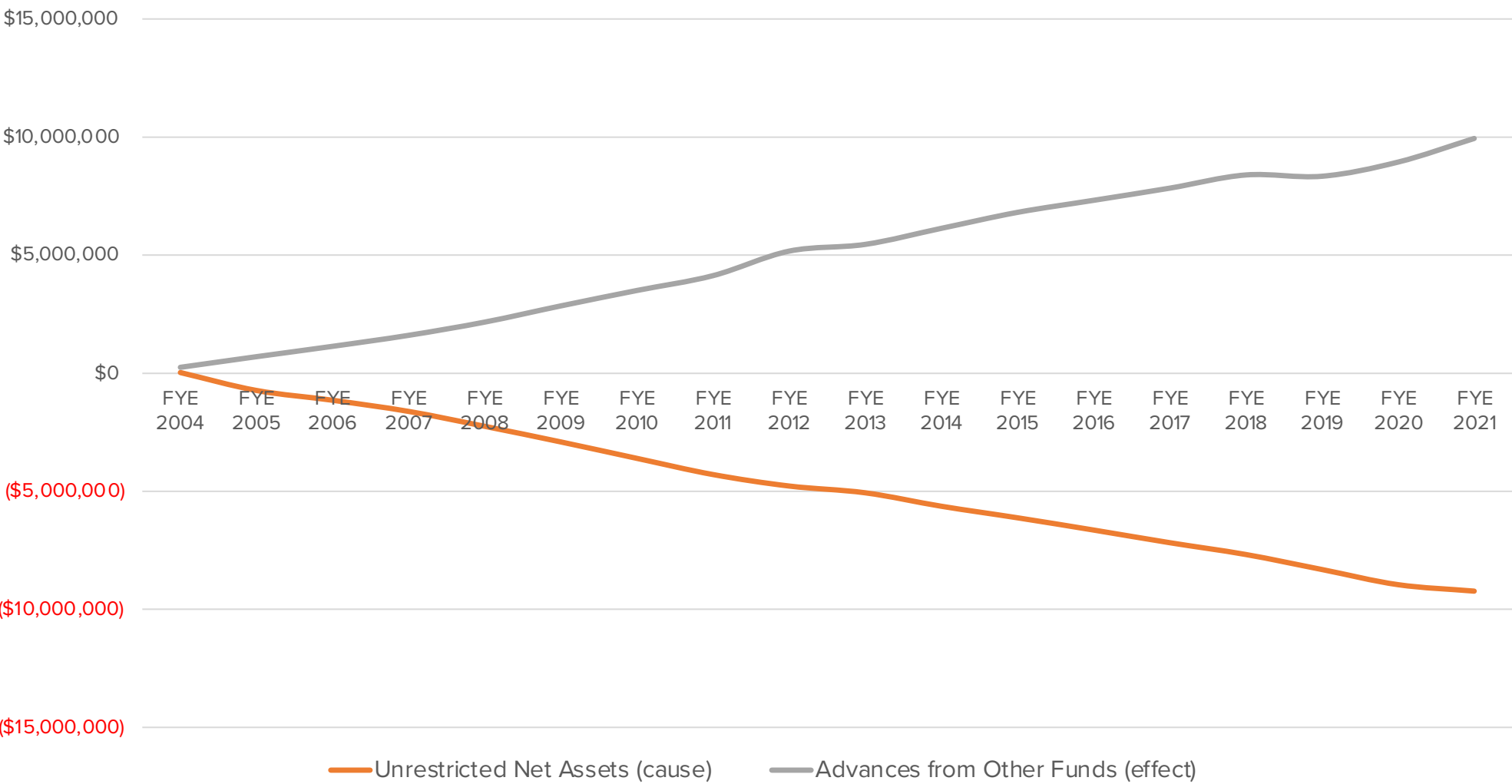


# Sanctuary Lake Golf

- Revenues increase 2.92% from \$1.78 to \$1.83 million
- Expenditures decrease 6.12% from \$2.72 to \$2.55 million
- Debt to the General Fund increases from \$7.1 to \$7.6 million
- Debt payments end in fiscal year 2027-2028



# Sanctuary Lake Golf | Net Position



# Sylvan Glen Golf

- Revenues increase 3.52% from \$1.36 million to \$1.41 million
- Expenditures increase of 3.20% from \$1.30 million to \$1.34 million



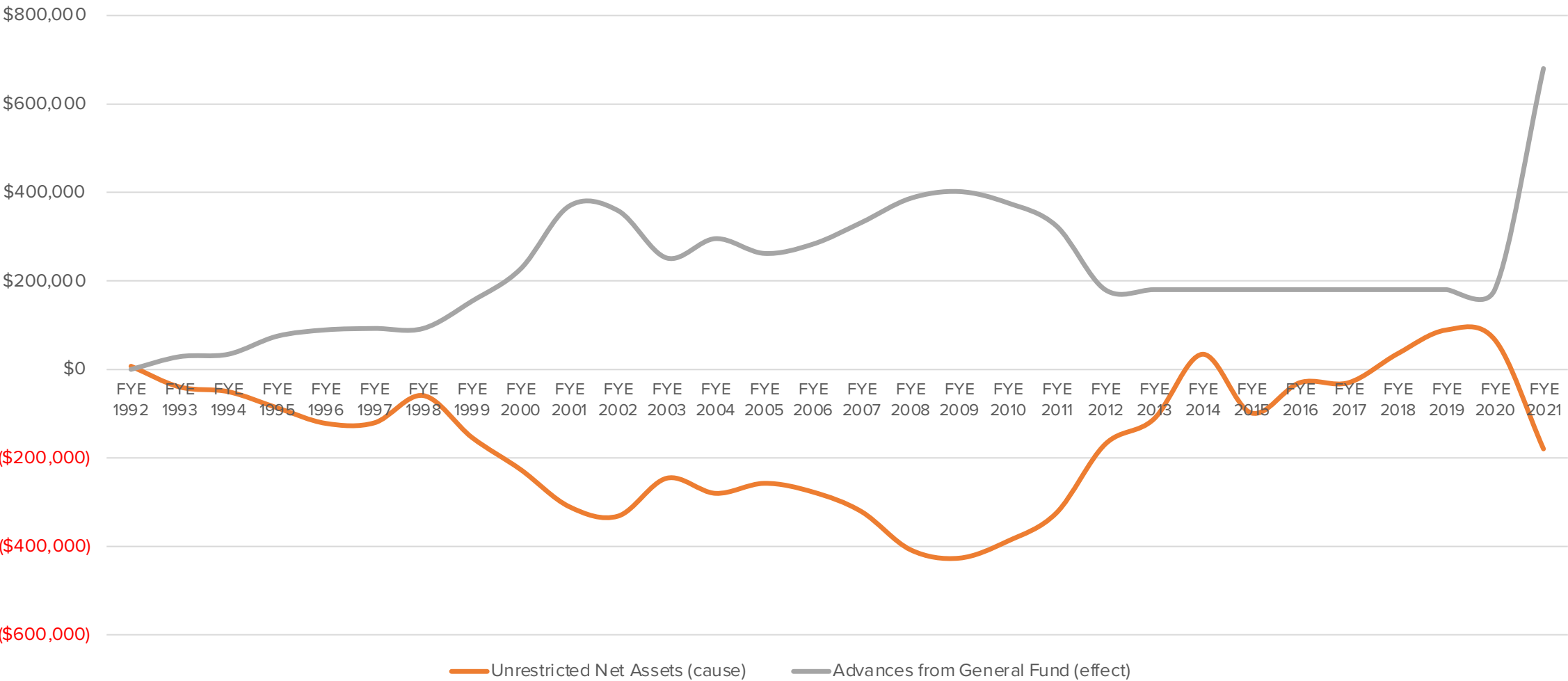


# Aquatic Center

- Revenues decrease 6.46% from \$633,000 to \$592,000
- Expenditures increase 12.74% from \$694,000 to \$782,000
- Debt to the General Fund increases from \$200,000 to \$700,000



# Aquatic Center | Net Position





# 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.
- Revenues increase 3.69% from \$36.53 to \$37.88 million
- Expenditures decrease 1.97% from \$45.57 million to \$44.68 million
- Rates
  - Combined water/sewer rate increases 3.9% from \$72.50 to \$75.35 per thousand cubic feet (MCF)
  - Average residential quarterly bill: \$293.87

# INTERNAL SERVICE FUNDS

2022/2023 PROPOSED BUDGET

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MARK F. MILLER | CITY MANAGER

# Internal Service Funds | Building Operations

- Revenues increase 5.77% from \$1.51 to \$1.60 million
- Expenditures increase 2.48% from \$1.56 to \$1.60 million



# Internal Service Funds | Information Technology

- Revenues increase 7.58% from \$2.30 to \$2.47 million
- Expenditures decrease 6.13% from \$2.46 million to \$2.30 million





# Internal Service Funds | Fleet

- Revenues decrease 0.51% from \$5.20 million to \$5.17 million
- Expenditures increase 11.93% from \$8.92 million to \$9.99 million



# QUESTIONS & ANSWERS

2022/2023 PROPOSED BUDGET

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MARK F. MILLER | CITY MANAGER