

A Special Meeting of the Troy City Council was held on Monday, April 15, 2024, at City Hall, 500 W. Big Beaver Rd. Mayor Baker called the meeting to order at 6:00 PM.

A. ROLL CALL:

- a) Mayor Ethan Baker
- Theresa Brooks
- Rebecca A. Chamberlain-Creanga
- Hirak Chanda
- Mark Gunn
- David Hamilton
- Ellen Hodorek

C. PUBLIC COMMENT:**D. BUSINESS STATED IN THE SPECIAL MEETING NOTICE:**

D-1 Presentation of the Proposed Fiscal Year 2024/2025 Budget

Budget is available for review on the City's website at <https://troymi.gov/budget>

Deputy City Manager Robert Bruner introduced the presentation outline, and began the discussion.

Chief Financial Officer Robert Maleszyk continued the discussion, including General Fund and Special Revenue Funds.

Assistant City Manager Meg Schubert discussed Debt Service Fund, Capital Projects Fund and Enterprise Funds.

Deputy City Manager Bruner discussed Internal Service Funds, and thanked the City Staff for their hard work on the Budget document.

Mayor Baker thanked everyone for their hard work on the Budget document. He said the purpose of tonight's meeting is for City Council to ask questions in preparation for the Public Hearing in May. He also reminded everyone that the Budget is a plan and it is common to approve amendments.

Council Member Gunn asked about the common items addressed by the auditors. Mr. Maleszyk said the Budget is prepared for full employment and the cost savings are expected due to staffing levels being under staffed. Council Member Gunn asked questions about the amount budgeted for Sylvan Glen Golf Course. Mr. Maleszyk explained that the budgeted amounts pertain to Capital expenditures. Council Member Gunn asked if the amount for the Capital Fund is due to receiving fewer federal dollars. Mr. Maleszyk explained that last years' amounts were due to granted money for the Rochester Road project and this year, there is less money to transfer from other funds. Council Member Gunn asked about the maintenance

amount budgeted for the Troy Public Library. Ms. Schubert explained the library has a lot of capital needs to keep the building operational until they develop a strategic plan. She said there will be more information presented to City Council soon. Council Member Gunn asked about the unassigned dollars. Mr. Maleszyk said the best practice by the GFOA is to have 15-20% on hand; however, a previous City Council decided that there should be 20-30% on hand as unassigned dollars.

Council Member Chanda asked if the charges for services pertain to the Community Center and Parks. Mr. Bruner said it is a combination of participation and rate increases. Recreation Director Goul said memberships have increased significantly in the past year, and they have also added more programs due to additional full-time staff. Council Member Chanda asked why the Aquatic Center is moving into the General Fund. Mr. Maleszyk said this topic was discussed at a previous Troy Advance and it was decided to transition it from the Enterprise Fund to the General Fund. Council Member Chanda asked about the building improvements versus the collections for the Troy Public Library. Mr. Maleszyk clarified that of the \$1.7 million dollars, collections are approximately \$630,000.

Council Member Chamberlain-Creanga asked if the capital costs are stabilizing. Mr. Bovensiep said that supply chain issues are still impacting the budgeted amounts as well as labor costs to provide the services due to labor market being down and the contractors are booked out a year. He said the contractors bump other projects and then bid Troy projects high to offset the costs. Mr. Finlay said there is the same effect on roads. He said projects and materials are at a premium and the dollars go about half as far. He said he does not anticipate the costs coming down anytime soon. Mr. Bovensiep said they have increased contingency costs from 10% to 30%. Mr. Finlay said the Stephenson Road project came in over budget, so they adjusted the proposed budgeted amount on other projects to account for the increased costs.

Mr. Bruner said he predicts that City Council will spend a lot of time discussing capital needs over the next fiscal year. He said it will begin with the library strategic plan and will continue with determining other capital needs and prioritizing those needs. He said one example already is prioritizing the Aquatic Center and its' capital needs by not accounting for it as though the money will come back to the General Fund.

Mayor Baker reminded everyone that the operating millage is 6.5% and reduces the Capital Fund accordingly from year to year.

Council Member Chamberlain-Creanga asked about staff and programming for the new ice rink, and the evaluation process to determine what is working and what is not. Mr. Goul said that the ice rink will be operated very similarly to the Aquatic Center and Community Center. He said staff has researched surrounding communities with similar amenities. He said they have events planned and will re-evaluate them annually. Council Member Chamberlain-Creanga asked if there is money in the Budget to repair the sign at the Community Center. Mr. Bovensiep said the signage around the Civic Center needs to be rebranded and marketed. He said they have held off on repairing the sign until the Communications Director position is filled and that team will work on the signage for the entire Civic Center campus. Mayor Baker said he would like to see the Community Center sign replaced now and look at rebranding the entire Civic Center complex later. It was the consensus of City Council to move forward with replacing the Community Center sign.

Council Member Chamberlain-Creanga asked about the Welcoming America membership and its resources. Assistant City Manager Schubert responded that the City renews the membership annually. Council Member Chamberlain-Creanga said she will submit a question by email regarding the building assessment and the 6-year Capital Improvement Plan. Mayor Baker asked if the facilities assessment report has been updated since it was created. He said he would like to see an updated version. Mr. Trantham said the Facilities Condition Assessment report is one of many tools used to determine capital projects and will need to be done again soon. He said he keeps track of the projects and uses multipliers and inflation to determine costs and said that many of the big-ticket items have been completed. Council Member Hamilton asked for an update on the progress.

Council Member Hamilton asked for clarification between the amount budgeted and actual expenditures. Mr. Maleszyk said they are conservative when preparing the Budget. He said even though the amount doesn't seem like a lot, he expects the difference to be significantly more due to vacancies in the police department. Human Resources Director Menig provided an update on the recruitments for those vacancies. Council Member Hamilton asked if the 6-year Capital Plan considers the paving of Middlesex. Mr. Bruner explained that the paving of Middlesex will not be a budgetary decision, but a decision on the special assessment policy and procedure. Ms. Schubert said amending the special assessment policy and the cost sharing for paving projects will be more feasible with the tools available in the current Budget. She said they expect to have a proposed amendment to the ordinance and the procedure come before City Council in late May or early June. Council Member Hamilton said he would like City Council to be communicated more about the long-term Capital Plan. Council Member Hamilton asked when the Jeanne M. Stine Park will be completed. Mr. Bovensiep said the contractor will be providing a new date and it is expected to be in early May. He said the performing arts stage proposal will be coming before City Council soon with it being available for Troy Daze.

Mayor Baker commented on the late submittal and what Council Member Hamilton addressed with the Capital Plan. He said as some of items in the Capital Plan are addressed over the next year, it will be important for City Council to refer back to the spreadsheet to understand and ask questions. Council Member Hodorek provided an example that several years ago the former City Engineer educated City Council on the types of streets, the evaluation process, how they prioritized the roads and developed the plan. Council Member Hamilton said that proved successful in that our roads are substantially better than surrounding communities. Council Member Hodorek said it was very beneficial and it may be a good time to reevaluate the roads again. She said it also helped the community understand why other projects had to be delayed.

Council Member Brooks said that Capital needs occupied much of the Troy Advance and she hopes progress is made before the next Troy Advance. She commented that residents often ask about EV charging stations and she asked if they are being considered in the sustainability plan. Ms. Schubert said that Troy has more charging stations than any other community in Oakland County. She said that they will continue to develop and be a part of the sustainability plan. She said there is funding; however, Troy does not qualify for the funding at this time. Council Member Brooks said the other topic residents ask about is pickleball. Mr. Maleszyk said the realities that City Council will face is whether money will be allocated for a fire truck or pickleball. Council Member Chanda asked about Tesla adding EV chargers. Mr. Bruner responded that it is an unsubstantiated rumor at this time. Mayor Baker said he encourages the private sector adding EV chargers in private sector areas, but he does not support spending General Fund dollars on EV chargers at this time. He said that core services should be a priority. Council Member Chamberlain-Creanga asked if there are opportunities for public-

private partnership. Mayor Baker said he is supportive of adding EV chargers and the increased infrastructure to accommodate the demand on the grid without spending Troy dollars. Mr. Bruner said City Staff is educating themselves on the resources available, but Troy is too wealthy to qualify for funding. Council Member Hodorek said there was legislation that passed to bring in funding. She said the LDFA tried to get a supercharging station allocated to Troy and we were not chosen. Mr. Bruner said EV chargers are a similar scenario as when Oakland County was going to bring Wi-Fi to the entire county.

Council Member Hodorek asked about the unallocated fund balance policy and if the percentage is sufficient. Mr. Maleszyk responded yes. Council Member Hodorek explained that the range was developed due to the challenges with millage cap in the City Charter. Mr. Maleszyk provided an update with the 7 criteria required for a good bond rating. There was a consensus of City Council to have Mr. Maleszyk send them the list of 7 criteria. Council Member Hodorek asked about state-shared revenue and the conservative outlook considering the vulnerability of that revenue. Mr. Maleszyk said they undershoot that amount every year and build a cushion into the budget to take into other considerations like a recession, unfunded mandates, and such. Council Member Hodorek said public safety is the number one priority of City Council and our residents. She asked about the budgeting of fire trucks. Fire Chief Hullinger said the lead times are outrageous. He said if they order a fire truck today, we would not receive it for 3-5 years. He said we are required to encumber those funds now, but we would not pay for it for 3-5 years. Council Member Hodorek commented that unallocated fund balance must be used on capital items and she would advocate for using those funds to make sure the City has fire apparatus and equipment they need. Mr. Bruner said that the theme of the next year will be capital needs and the Fire Department provided the equipment replacement plan to examine due to the significant changes in prices and lead times. Council Member Hodorek commented that residents still miss animal control services performed by the City. Mayor Baker commented that Oakland County provides services for domestic animals, not the services that residents are complaining about. Council Member Hodorek said she does not know the costs to provide this type of service, but it often falls on police, fire, or DPW employees. She understands that there is an expertise that is required to provide this service, operation costs, but it is something that should be discussed further. Council Member Hamilton said the Advance addressed some of the services that should continue or what services should be expanded, and he would like animal control services to be discussed further. Mr. Bruner said administration will look into this topic.

Council Member Gunn asked how new tax revenue is accounted with new developments. City Assessor Timm explained the process. Council Member Gunn said he is shocked to hear from the State say that Troy is too rich to receive funding for certain projects when our tax dollars are being paid in. Mr. Maleszyk said they look at the 6-year plan and provide 2-3 projects to request funding from state and federal representatives for those projects. Mayor Baker said it never hurts to use the relationships City Council has with legislators when requesting funding. Council Member Chamberlain-Creanga said the Michigan Municipal League represents Troy and has been advocating for a funded mandate around state-shared revenue. Council Member Gunn also asked if administration pursues every available grant. Mr. Maleszyk said every department looks for available grants constantly. Council Member Gunn asked about the long-term Capital Plan and asked if City Administration would provide a quarterly summary. Mr. Bruner said he hopes to provide consistent update reports to City Council going forward. Mr. Maleszyk said it could also become an addendum to the quarterly financial report. City Member Hodorek said those quarterly reports help her understand the burden on City Staff.

Mayor Baker asked about the CDBG Funds that were reallocated to ADA compliance and security updates for City Council Chambers and if we are at risk for losing those dollars. Mr. Bruner said he will look into that project and will provide an update to City Council soon. Mayor Baker asked if Administration is looking into other locations for an all-inclusive park. Mr. Bruner said the Parks and Recreation Master Plan is due for another update soon. Mr. Bovensiepe said Sylvan Glen is a Rep. Haley Stevens Community Project Fund grant of \$1.5 million dollars. Mr. Trantham said they in Phase 2 of Sylvan Glen Park, which will include inclusive elements for all abilities to plan. He said there is a request in the 2026 Capital Budget Plan to replace the structures at Boulan Park to make it a fully-inclusive park.

Mayor Baker said this budget is consistent with City Council's priorities of public safety, parks and recreation, and core infrastructure. He said it is consistent with what our residents want and expect.

Council Member Hamilton asked about the Capital Plan and in future years' there is a shortfall. He asked when those items will be discussed. Mr. Maleszyk said every year we face this situation where there are more needs than funding.

Mayor Baker said the purpose of the Advance is to provide guidance to the budget. He said the change in City Management will provide an opportunity for a fresh look in developing a plan for going into the Advance. Council Member Chamberlain-Creanga said she is eager to schedule Special Meetings to study and discuss topics. Mr. Bruner said he made a prediction that Capital needs will be the topic of discussion over the next year. He said he will bring items for City Council to prioritize what is discussed from now until the Advance. He said the City Charter dictates that there is approximately a month from when the Budget is proposed to when it is approved, so there cannot be major changes to the Budget. Council Member Gun asked if the proposed Budget should be released earlier. Mr. Bruner responded that when the City Charter was established, it may have been much easier to make changes. He said we cannot change the City Charter, so we change the process by scheduling strategic planning meetings well in advance of the proposed Budget.

There was a consensus of City Council to cancel the April 17, 2024 Special Meeting.

E. OTHER BUSINESS:

F. ADJOURNMENT:

The Meeting **ADJOURNED** at .

Mayor Ethan Baker

M. Aileen Dickson, MMC, MiPMC II
City Clerk

2024 SCHEDULED SPECIAL CITY COUNCIL MEETINGS:

April 17, 2024..... Special Budget Study Meeting (as needed)

2024 SCHEDULED REGULAR CITY COUNCIL MEETINGS:

April 29, 2024..... Regular Meeting
May 13, 2024 Regular Meeting
May 20, 2024 Regular Meeting
June 10, 2024 Regular Meeting
June 24, 2024 Regular Meeting
July 8, 2024..... Regular Meeting
July 22, 2024..... Regular Meeting
August 12, 2024..... Regular Meeting
August 26, 2024..... Regular Meeting
September 16, 2024..... Regular Meeting
September 30, 2024..... Regular Meeting
October 14, 2024 Regular Meeting
October 28, 2024 Regular Meeting
November 11, 2024..... Regular Meeting
November 25, 2024..... Regular Meeting
December 9, 2024..... Regular Meeting
December 16, 2024..... Regular Meeting