

# **Financial Summary**

**For the Year Ended  
June 30, 2013**

**City of Troy, Michigan**





## Fast Facts

### **Residential Population:**

82,853

(Southeast Michigan Council  
of Governments - SEMCOG)

### **Workday Population:**

170,396

(Southeast Michigan Council  
of Governments - SEMCOG)

### **Businesses:**

5,955

(City Assessor's Office)

### **Area:**

34.3 square miles

### **Taxable Value:**

\$4.3 billion

## **Council/Manager Form of Government**

The Mayor and six members of the City Council are elected to staggered, four-year terms. The Council appoints a City Manager to oversee daily operations and administrative functions.

## **Services**

Basic community services are the highest priority. These include police and fire protection, refuse collection, water and wastewater collection, street maintenance, public improvements, planning, zoning, and administrative services. Troy's quality of life is also enhanced by recreation and leisure facilities including the Troy Public Library, Family Aquatic Center, Sylvan Glen and Sanctuary Lake Golf Courses, 1000 acres of parkland, and the Community Center.

## **Education**

Top-rated school systems reinforce Troy's community strength and property values. Troy School District (TSD) serves the majority of households with an enrollment of 12,537. Six other school districts also serve Troy citizens: Avondale, Birmingham, Bloomfield Hills, Lamphere, Royal Oak and Warren Consolidated. Higher education is available through local institutions like Cornerstone College, the Michigan State Management Education Center, Walsh College, nearby Baker College, Oakland Community College, Oakland University and Rochester College. Central Michigan University, Northwood University, Spring Arbor University and University of Michigan-Flint offer satellite courses in Troy.

## **Business Connection**

Troy's corporate citizens span a full range of financial, retail, automotive, technology, hospitality, service and manufacturing industries.

- Economic Development Department:  
248.524.3314;  
[www.troymi.gov/EconomicDevelopment](http://www.troymi.gov/EconomicDevelopment)
- Automation Alley:  
248.457.3200;  
[www.automationalley.com](http://www.automationalley.com)
- Oakland County Planning & Economic Development:  
248.858.8706;  
[www.advantageoakland.com](http://www.advantageoakland.com)
- Troy Chamber of Commerce:  
248.641.8151;  
[www.troychamber.com](http://www.troychamber.com)

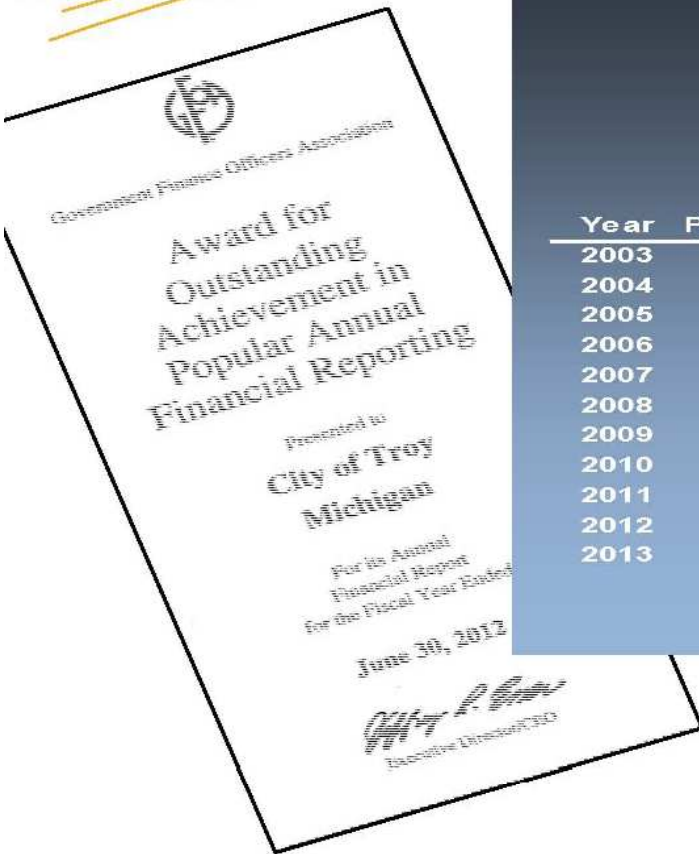


# Community Profile

## Demographics

Year	Population	# of Households	Median Household Income	Median Age
2003	84,841	31,504	96,840	38.1
2004	85,956	31,944	96,840	38.1
2005	86,740	32,281	96,840	38.1
2006	87,159	32,431	96,840	38.1
2007	87,594	32,596	96,840	38.1
2008	87,956	32,802	96,840	38.1
2009	81,490	33,368	112,980	38.1
2010	81,235	30,723	112,980	38.1
2011	80,980	32,907	108,356	41.8
2012	82,071	32,998	107,532	41.8
2013	82,853	33,063	107,532	41.8

Figure 1



## GFOA Award for Outstanding Achievement

The Government Finance Officers Association of the United States of America and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Troy for its Popular Annual Financial Report for the fiscal year ended June 30, 2012. The award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, the contents of which conform to program standards of creativity, presentation, ease of understanding and reader appeal.

An award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Troy has received a Popular Award for the last 14 consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.



# City of Troy Economy

## Fiscal 2013 Millage Rates

Community	Millage Rate	Rank (L=>H)
Rochester Hills	9.706*	1
Novi	10.20	2
Bloomfield Hills	10.24	3
Troy	10.48	4
Auburn Hills	10.5602	5
Rochester	12.4304	6
Wixom	13.3259	7
Farmington Hills	13.9362	8
Berkley	14.4917	9
South Lyon	15.1869	10
Royal Oak	15.2011	11
Birmingham	15.4641	12
Farmington	16.5856	13
Northville	16.7757	14
Pontiac	17.0553	15
Pleasant Ridge	18.1928	16
Clarkston	18.6344	17
Madison Heights	22.425	18
Sylvan Lake	23.0987	19
Southfield	23.7218	20
Hazel Park	24.2284	21
Clawson	25.8858	22
Huntington Woods	26.3879	23
Ferndale	29.5714	24
Oak Park	29.8398	25

Figure 2

Troy's diversified business community, strong residential market and conservative financial management perpetuates a stable economy through regional and national market fluctuations. A wide range of industries in the business community, well maintained neighborhoods, excellent schools, and continued investment into roads and infrastructure all contribute to Troy's resilience.

With 82,853 residents and the workday population exceeding 170,000, people constitute a strong market for the retail and service industries in Troy. These factors keep the City's unemployment rate below metro Detroit and state averages. See figure 4 to compare unemployment rates.

The community's taxable valuation (TV) has declined in recent years compared to the 1980's and 1990's. In 2012 (2013 Fiscal Year) our taxable value was \$4,312,692,050 compared to \$5,459,779,936 in 2010. (see Figure 3). Within the state of Michigan, Troy ranked fourth for the largest taxable value.

A State assessed value of \$4.4 billion represents approximately 50% of estimated current market value. Taxable value is determined by the prior year's taxable value plus 5% or the consumer price index (whichever is less). Starting with the 1994 state equalized value as the base taxable value, the taxable value figure is multiplied by the tax rate to determine property tax revenue.

## Taxable vs. Assessed Value

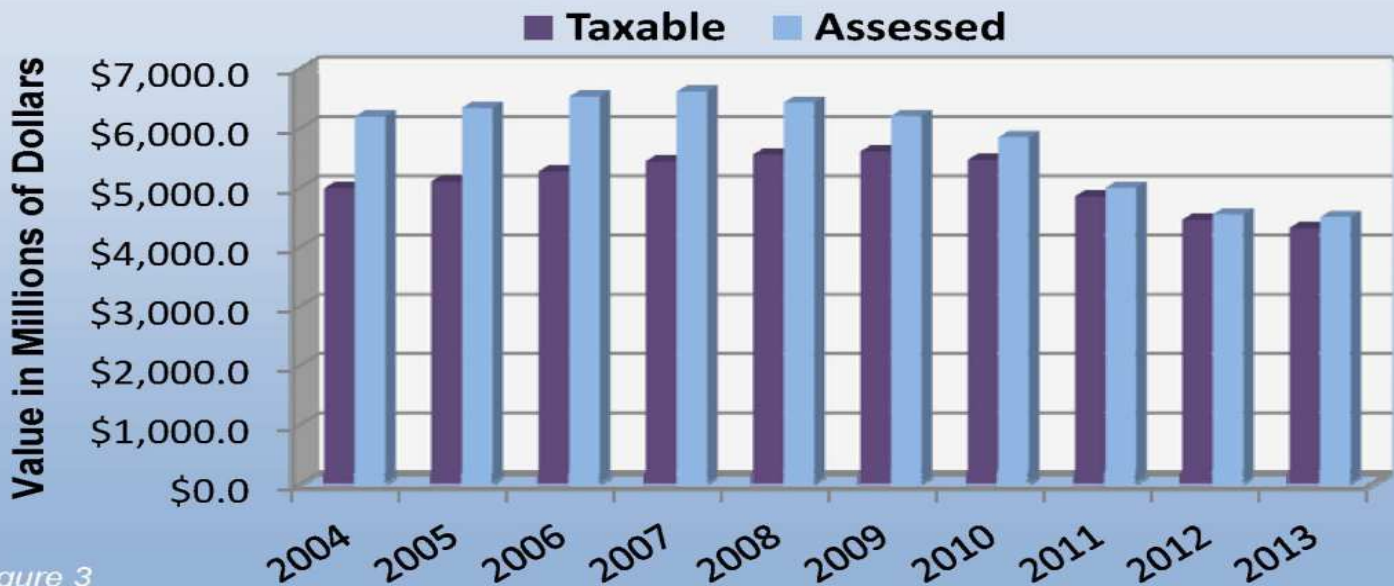


Figure 3

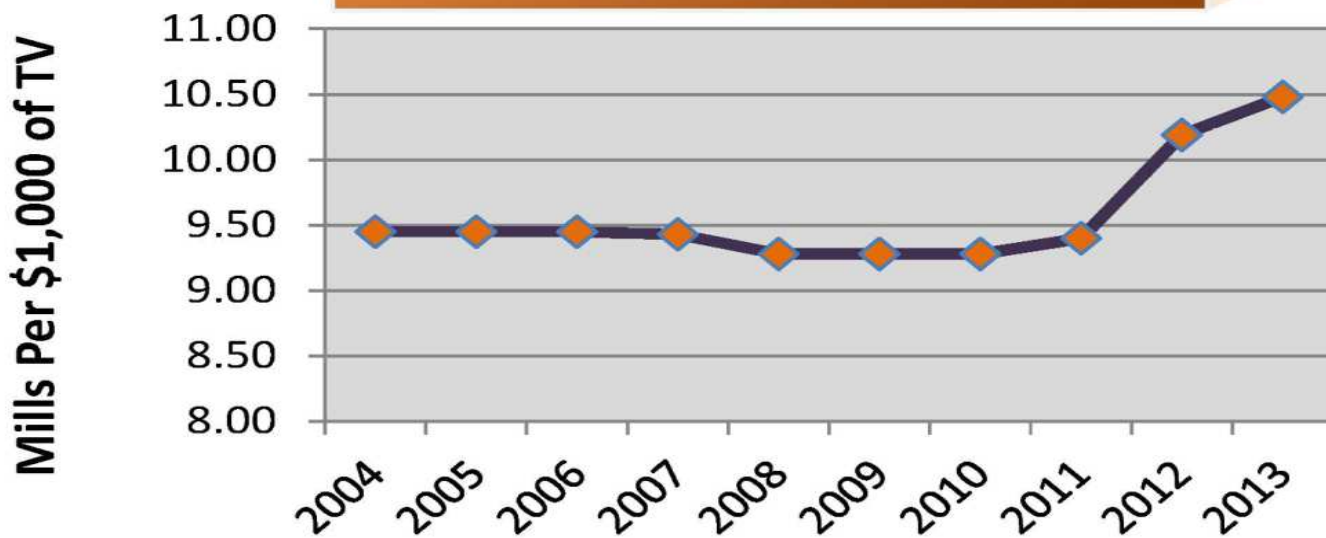
## Unemployment Rates

Year	1990	2000	2013
Troy	3.5%	1.6%	7.4%
Metro Area*	7.6%	4.3%	9.0%
Michigan	7.6%	3.6%	8.7%
National	5.5%	4.0%	7.3%

\*Metro Area includes Lapeer, Macomb, Monroe, Oakland, St. Clair and Wayne Counties.

Figure 4

## Millage Rate



(Voter approved Library Millage 2012)



**The General Fund** is the general operating fund of the City and the main focus of this report. It is used to account for all financial resources except those required to be accounted for in another fund. General Fund activities are financed by revenues from general property taxes, state shared revenues and other sources. The General Fund uses the current financial resources measurement focus and the modified accrual basis of accounting.

Figure 6 shows the total revenue and expenditures of this fund from 2004 to 2013. Declines in revenue are due to reductions in the taxable value of property. Accordingly, the City has made significant reductions in expenditures primarily through position realignment and employee wage/benefit concessions to parallel services in line with the decline in revenues. An indicator of financial strength and stability is a positive fund balance in the General Fund. Since 2004, the General Fund fund balance had grown from \$20.5 to \$36.8 million. In 2004, 2007, 2008 and 2009 expenditures in excess of revenues and other sources were covered by the Fund Balance.

The financial community has recognized the City's solid, diversified tax base and sound management. Standard & Poor's gave the City an "AAA" rating for unlimited tax general obligation bonds. This makes Troy one of the four highest rated municipalities in Michigan. High bond ratings translate to savings for the City and its taxpayers.

### General Fund Revenues, Expenditures and Other Sources

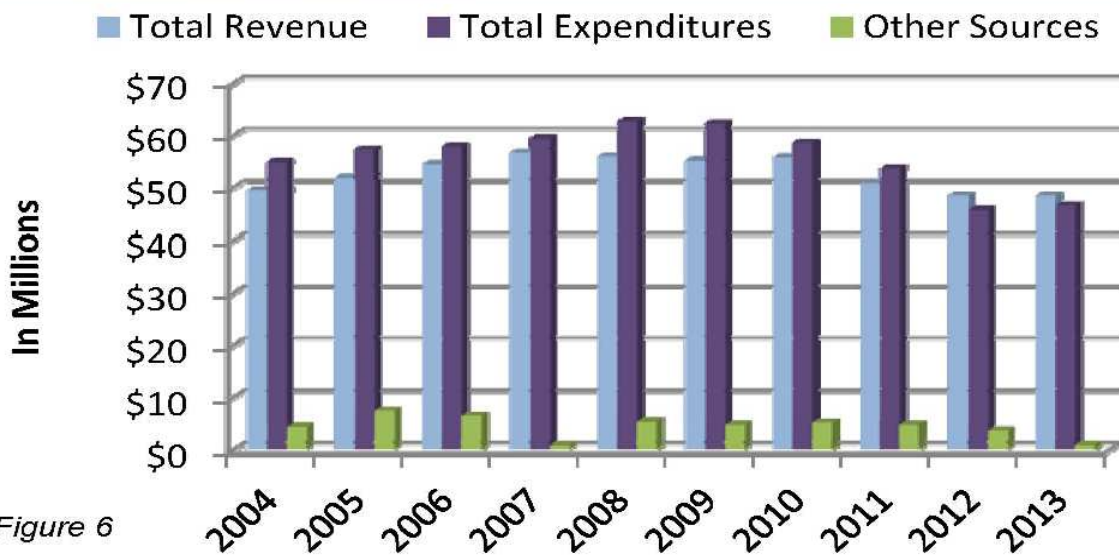


Figure 6

### General Fund Tax Levy

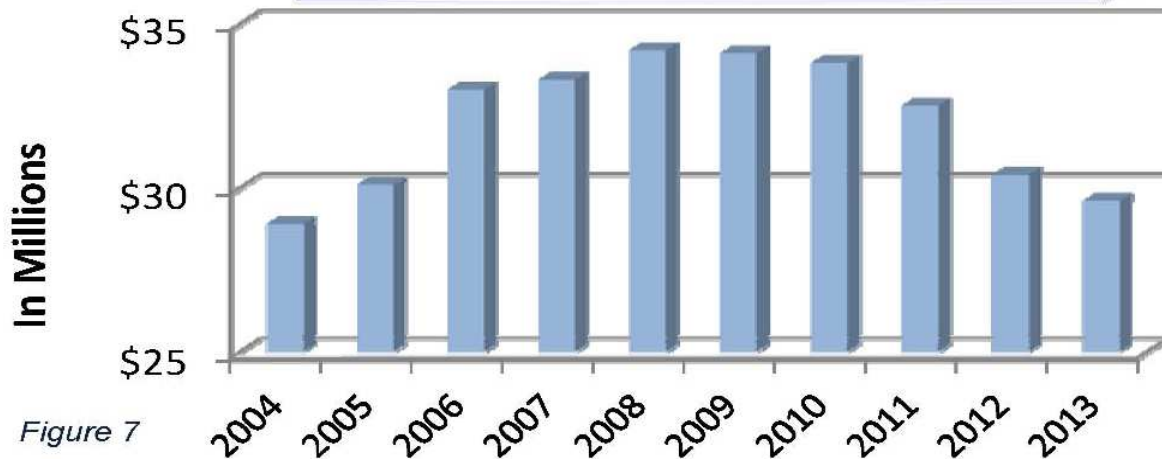


Figure 7



# Evaluating the City's Financial Condition

## General Fund – Fund Balance

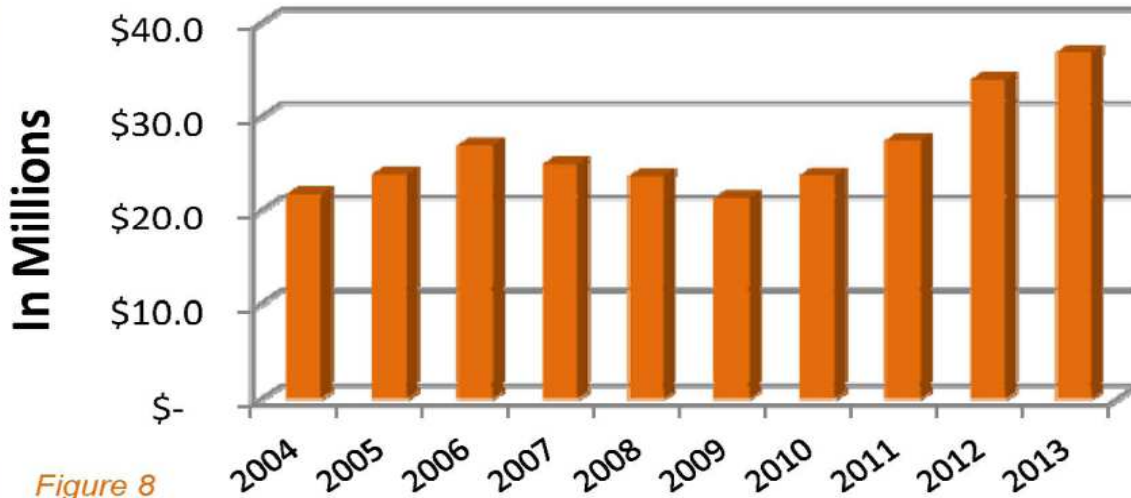


Figure 8

## 2013 Revenues and Expenditures (Millions)

	2006	2007	2008	2009	2010	2011	2012	2013
Revenues	\$54.5	\$56.7	\$56.0	\$55.2	\$55.8	\$50.8	\$48.5	\$48.5
Expenditures	(57.9)	(59.5)	(62.7)	(62.3)	(58.6)	(53.7)	(45.8)	(46.6)
Other Sources	6.5	0.8	5.4	4.8	5.2	4.8	3.7	1
Net Change	3.1	(2.0)	(1.3)	(2.3)	2.4	1.9	6.4	2.9
Beg. Equity	23.8	26.9	24.9	23.6	21.3	25.6*	27.5	33.9
End Equity	\$26.9	\$24.9	\$23.6	\$21.3	\$23.7	\$27.5	\$33.9	\$36.8
% of expenditures	46.46	41.85	37.64	34.19	40.44	51.21	74.02	78.97

\* Beginning equity adjusted for changes in generally accepted accounting principles.



# Revenues

The City of Troy collects funding from five major sources. Beyond property taxes, other revenues include licenses and permits, state shared revenue, charges for services, fines and forfeitures, investments income, miscellaneous receipts, and other financing sources. See Figure 10 for a breakdown of what percentage each element represents of the total revenue.

## **Property Taxes: \$29.6 Million**

The City's total tax rate of 10.48 mills includes the General Fund, Refuse Collection, Library Services, Debt Service and Capital Projects activities. The General Fund tax levy is 6.50 mills of the 10.48 mills.

As indicated in figure 11, the City's tax rate represents just 29% of the total property tax bill for all taxing jurisdictions. Those tax dollars represent over half of the City's total revenue as illustrated in Figure 10.

## **Licenses and Permits: \$2.3 Million**

Are mainly made up of building permits and trade licenses and permits.

## **Intergovernmental Sources: \$6.6 Million**

This revenue is mainly in the form of a return on sales tax dollars from the State of Michigan.

## **Charges for Services: \$7.5 Million**

Fees charged for services and sales.

Some examples of charges for services include Community Center fees, cable franchise fees and county reimbursements.

## **Fines: Forfeitures: \$0.8 Million**

Primarily from court ordered penalties and forfeitures.

## **Miscellaneous Revenue: \$1.7 Million**

Generated primarily by administrative fees and rent income.





## Where the City Gets its Revenue

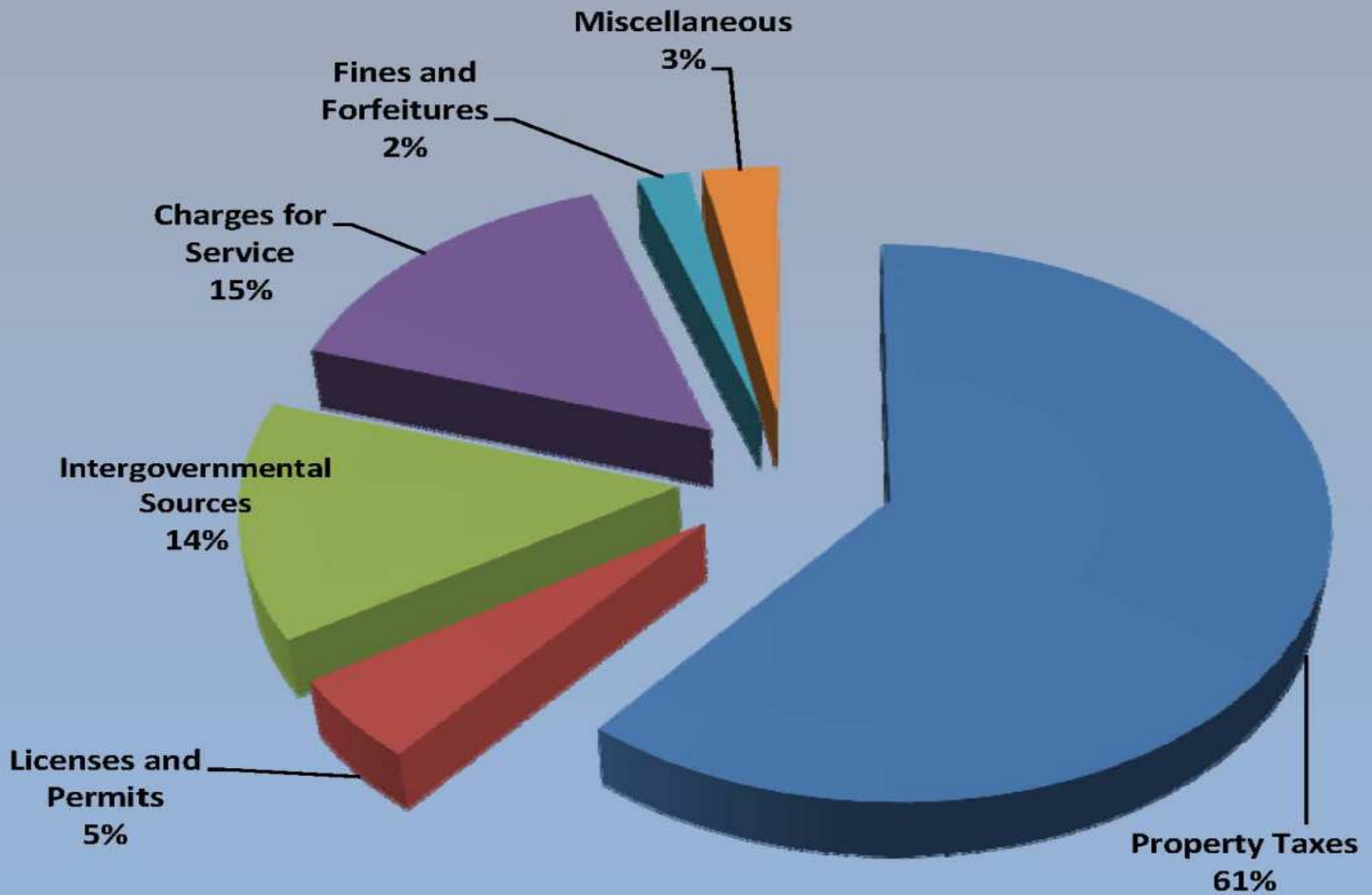


Figure 10

## Where Does Your Tax Dollar Go?



Figure 11



**General Government: \$7.3 Million**

The General Government group of expenditures is broken down into the following areas: City Council, City Manager, City Attorney, City Assessor, City Clerk, Elections, Accounting, Human Resources, Purchasing, Treasurer, Community Affairs, Planning, Economic & Community Development, City Hall and services.

**Public Safety: \$27.3 Million**

Police, Fire Protection and Building Inspection.

**Public Works: \$6.0 Million**

Maintenance costs for major, local and county roads. Costs associated with Engineering, and Storm Drain Maintenance.

**Recreation & Culture: \$6.0 Million**

Costs to provide Parks and Recreation activities.





# Expenditures

## General Fund Expenditures

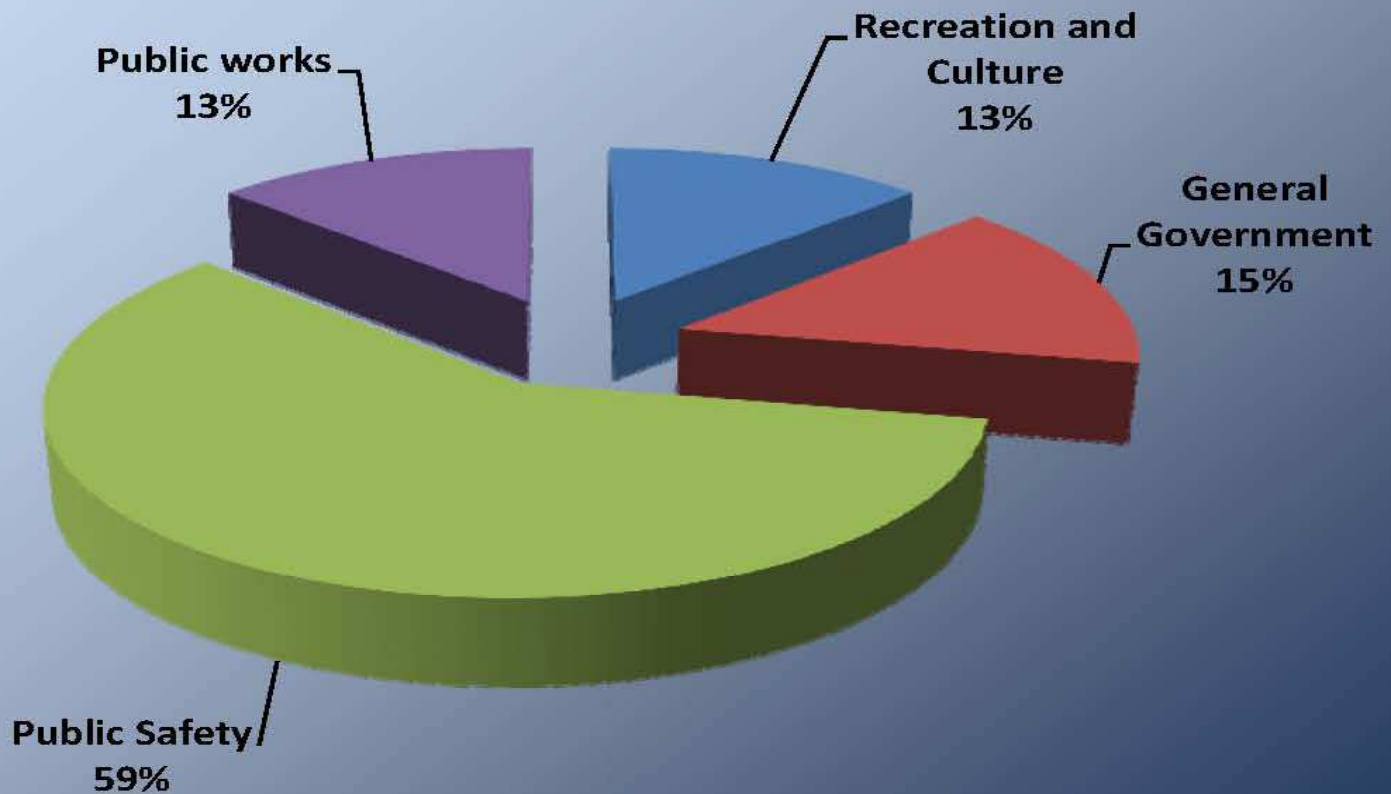


Figure 12

The General Fund major program activities are summarized in four areas: General Government, Public Safety, Public Works and Recreation & Culture. See Figure 12 for a breakdown of their percentages of total expenditure.





# Other Funds Used to Manage City Dollars

In accordance with Generally Accepted Accounting Principles (GAAP), the City's financial activities are accounted for in a variety of funds other than the General Fund.

**Special Revenue Funds** such as the Major Street, Local Street, Refuse, Drug Forfeiture, Library and Community Development Block Grant Funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for those specific purposes.

**Debt Service Funds** account for the accumulation of resources for the annual payment of principal, interest and fees in connection with certain long-term debt other than debt of proprietary fund types.

**The Capital Projects Fund** tracks financial resources for the acquisition or construction of major capital facilities other than those financed by the operations of a proprietary fund.

**Enterprise Funds** like Water, Sanitary Sewer, Aquatic Center and Golf Course Funds are used to account for operations that are similar to private business. The concept includes user fees that are designed to pay for the services provided.

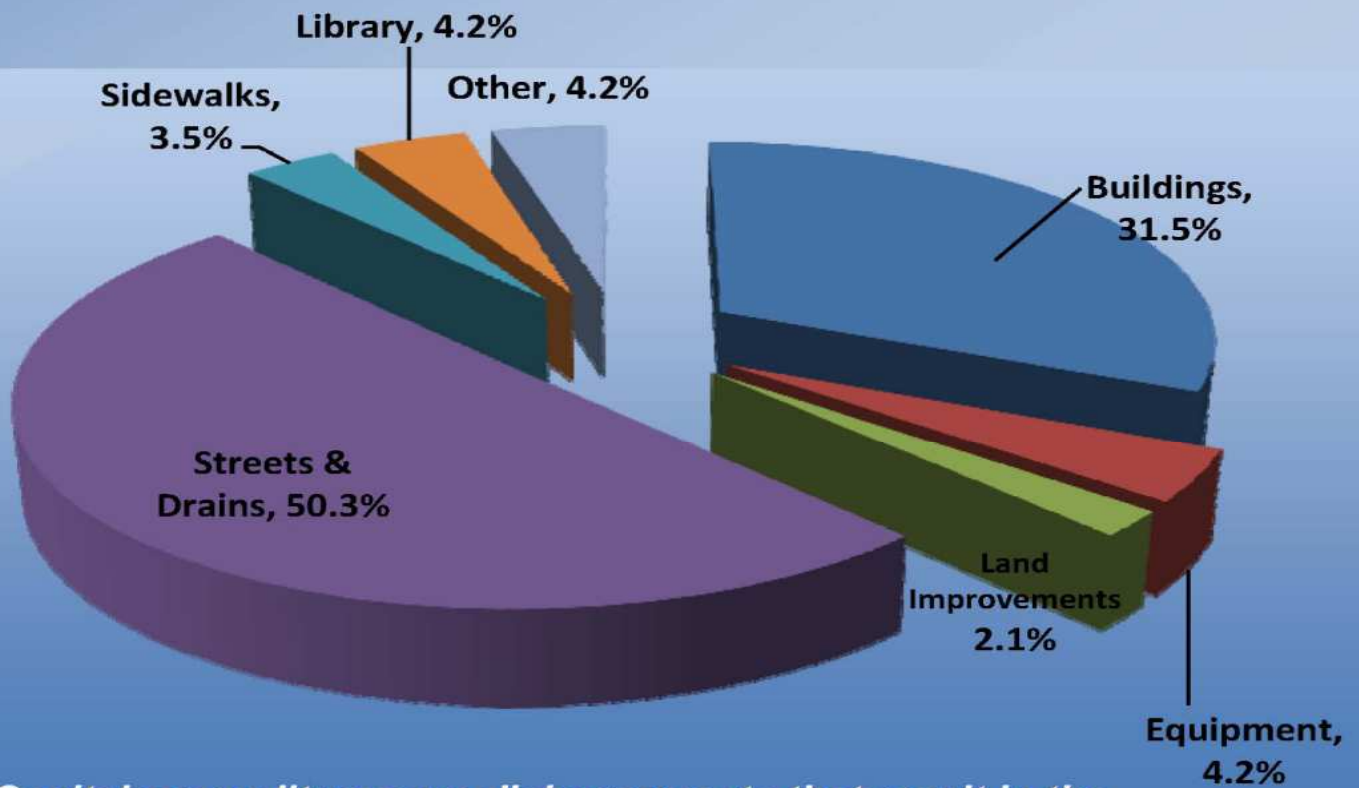
**Internal Service Funds** are used to account for the financing of goods and services provided by one department to other departments of the government on a cost reimbursement basis.

For more detailed information where the totals are represented by function, you should review the Comprehensive Annual Financial Report (CAFR). Both this summary and the CAFR are available at the Troy Public Library, 510 West Big Beaver and the City's website at: [www.troymi.gov](http://www.troymi.gov). If necessary, call 248.524.3330 to request a copy.





## Capital Expenditures



*Capital expenditures are disbursements that result in the acquisition of, or addition to capital assets.*

Figure 13

### **Streets & Drains: \$7.2 million**

Street expenditures consisted of improvements to major streets \$2.9 million, local streets \$3.6 million and drains \$0.7 million.

### **Buildings: \$4.5 Million**

Building expenditures consisted of additions/improvements to transit center \$4.4 million, various other projects \$0.1 million.

### **Equipment: \$0.6 Million**

Police \$0.1 million and fire \$0.5 million.

### **Sidewalks: \$0.5 Million**

### **Land Improvements: \$0.3 Million**

Municipal/Parking Lots \$0.3 million

### **Library \$0.6 Million**

Library books/ audio visual \$0.6 million

### **Other \$0.6 Million**

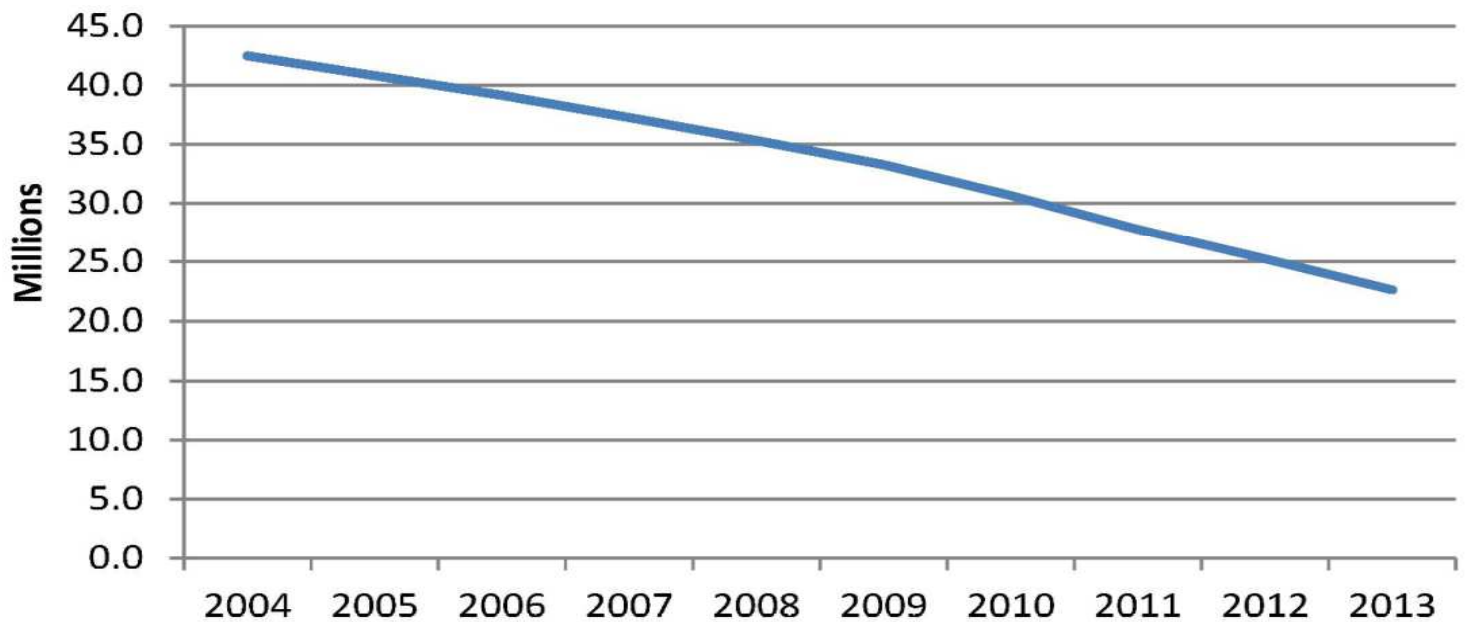
Debt Service \$0.3 million, Tax Refunds \$0.1 million, Various \$0.2 million



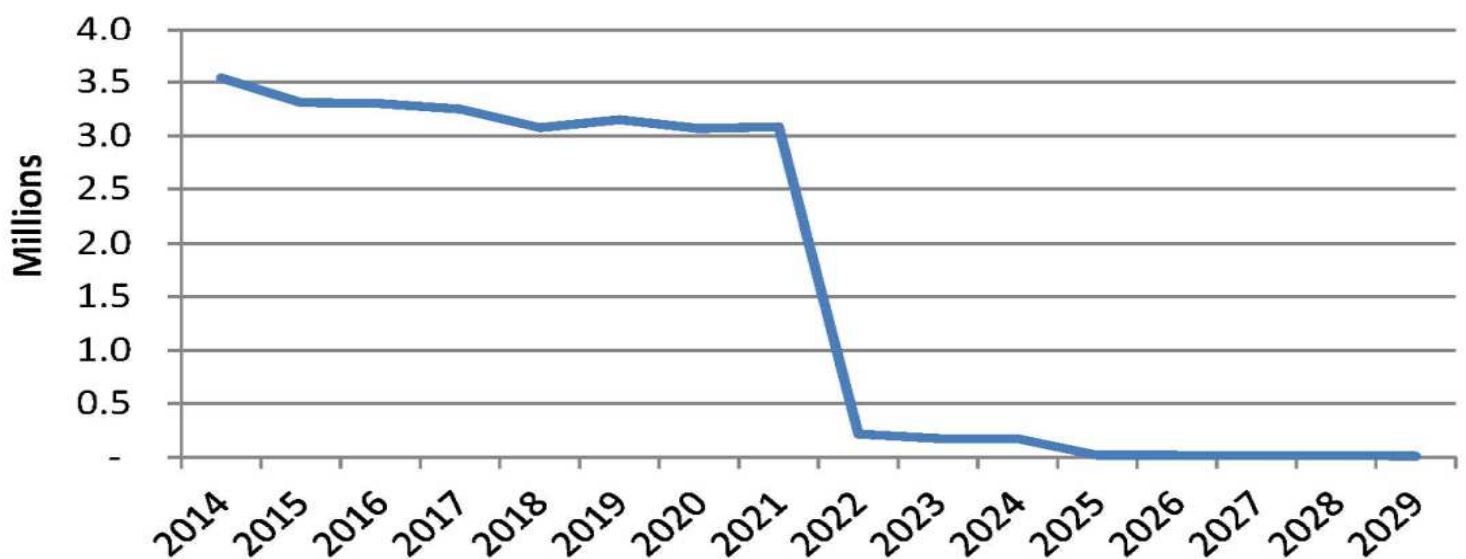


# General Bond Debt and Obligation

## General Bond Debt Outstanding



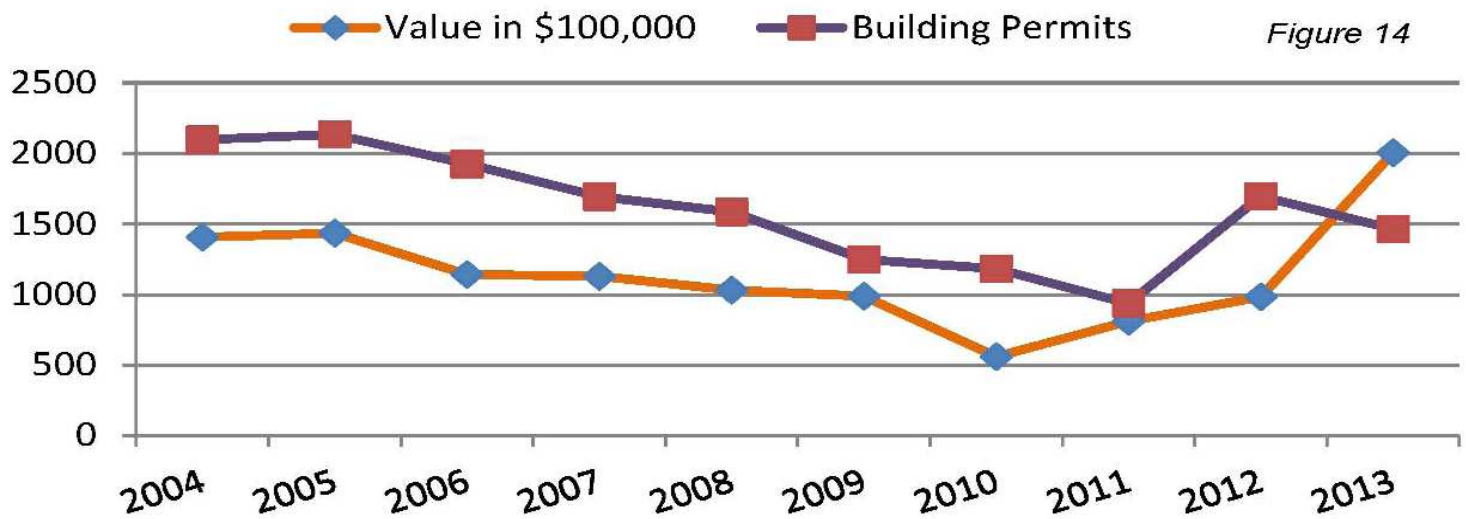
## Bond Obligation Payment Requirements





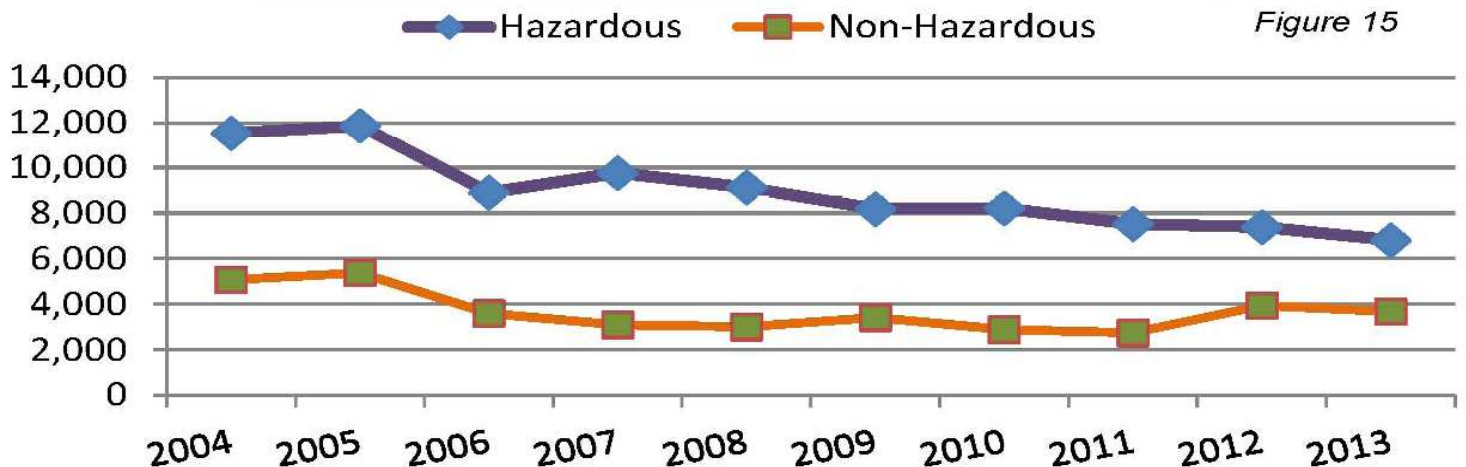
# Performance Data

## Building Permits and Construction



Troy's Building Department processes a wide range of construction permits each year. Despite some declines in the number of permits being pulled, the total value of the projects is increasing. This can be attributed to many smaller home and business improvement projects taking the place of major developments, as fewer parcels of land are available for large-scale projects.

## Traffic Citations



Above and beyond Troy's 82,000 residents, a large commuting population that travels our roadways puts a heavy responsibility on Troy Police Road Patrol.

Hazardous Citations are issued for violations that could cause an accident, like speeding. Non-hazardous traffic citations are for minor violations that break ordinances, but do not generally put property or person at risk of damage or injury, for example, out-of-date registration.



# Operation Indicators by Function/Program

## **Engineering**

Soil erosion inspections

**2012**

772

**2013**

628

## **Finance**

Assessing

Residential appraisals

500

642

City Clerk's Office

Registered voters

57,470

58,318

Human Resources

Applications processed

1,566

778

Job postings

30

26

Purchasing

Value of goods/services purchased

\$34.2 mil

\$34.6 mil

## **Fire**

Fire Department responses

1,090

1,006

Inspections performed

2,013

3,154

## **Parks & Recreation**

ROW Trees Trimmed

2,262

3,508

## **Information Technology**

Help desk requests

2,485

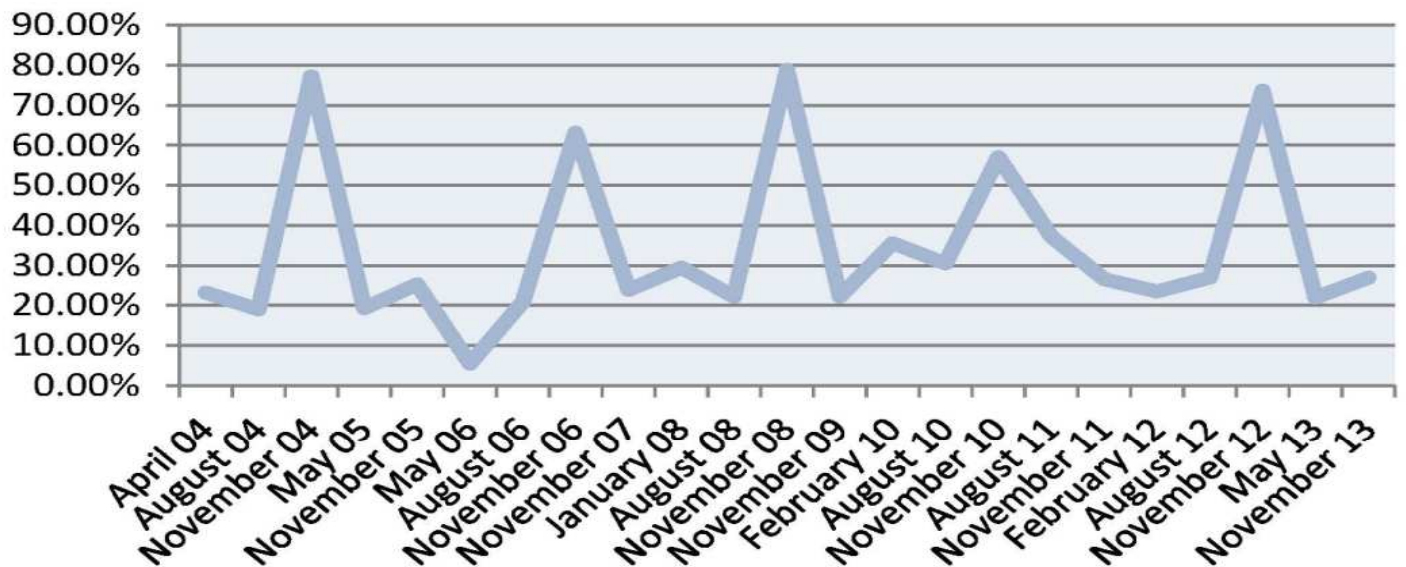
2,333

Figure 16





## Voter Turnout



After 50 years of annual City Regular Elections being conducted in April, City Regular Elections were moved to odd-year Novembers in 2005. City Regular Elections in November have shown an increase in voter turnout.

## City of Troy Employees Retirement System Schedule of Funding Progress (Pension Benefit)

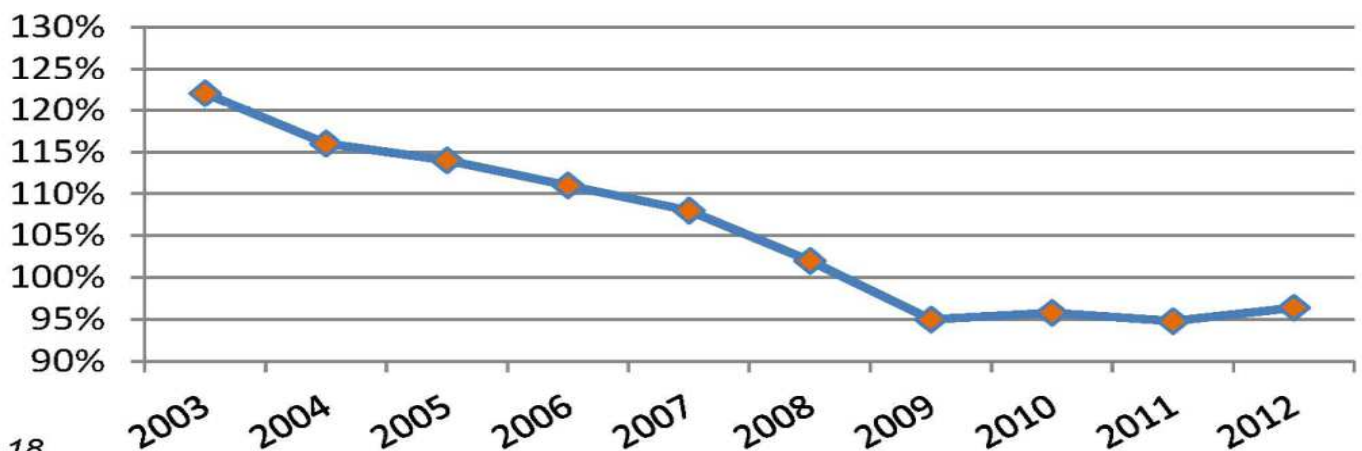
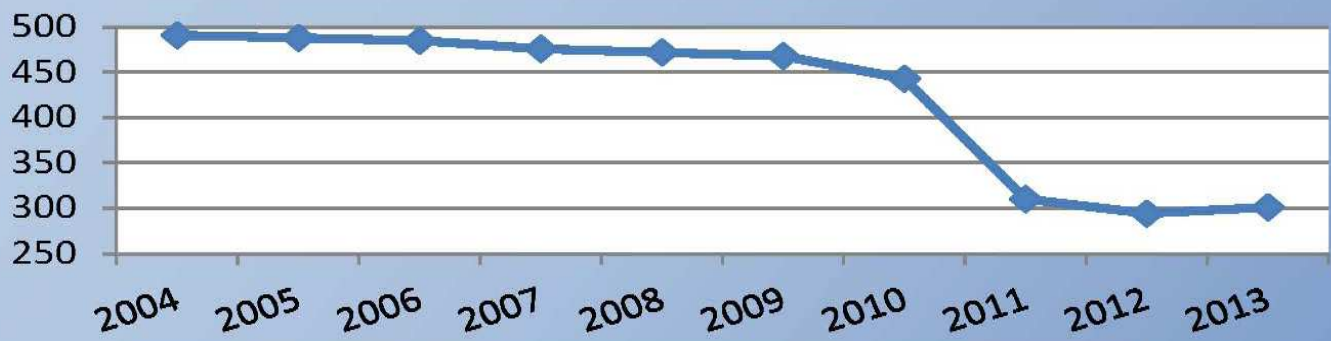


Figure 18

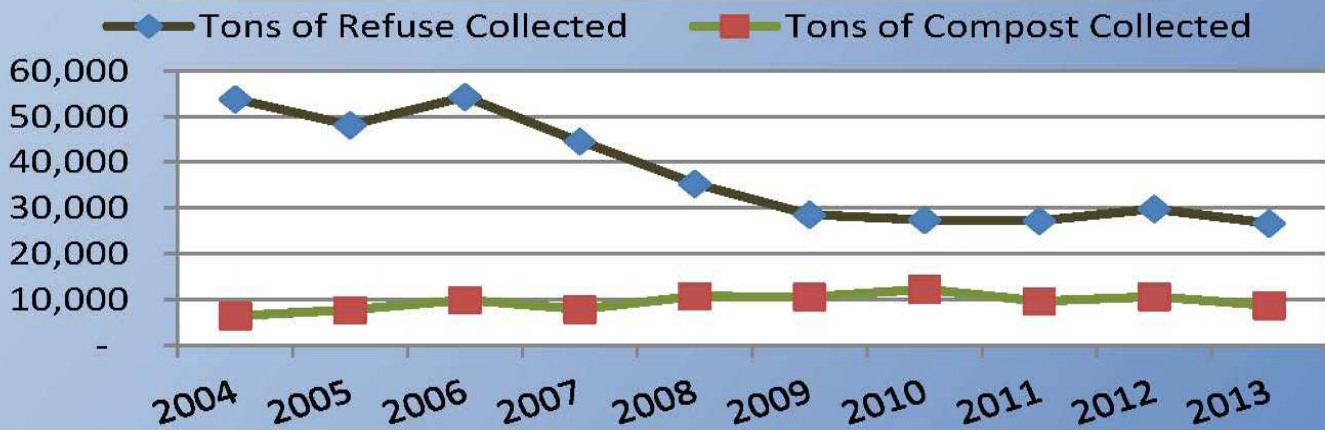
The above chart expresses the actuarial value of assets as a percentage of the actuarial accrued liability, which provides one indication of the system's funded status on an ongoing concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker.



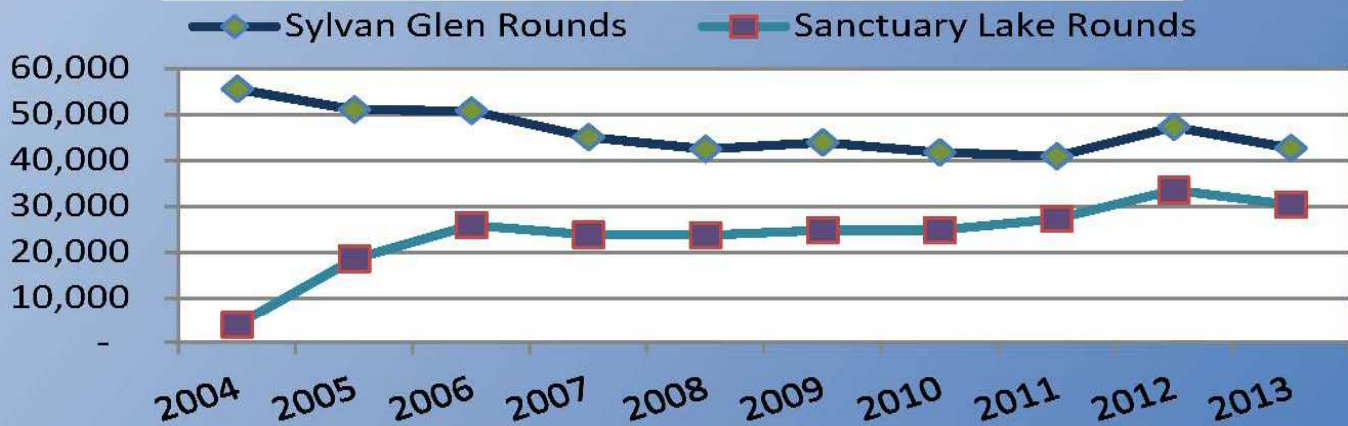
### City Full-Time Staffing



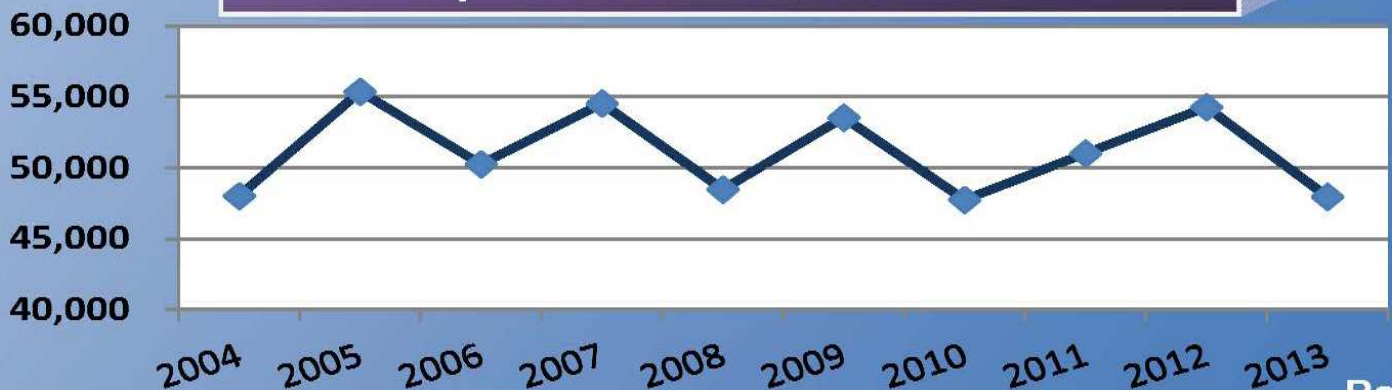
### Refuse/Resource Recovery



### Golf Course



### Aquatic Center Admissions





## Community Affairs Economic Development

New and prospective residents and businesses call 248.524.1147 or email [cindy.stewart@troymi.gov](mailto:cindy.stewart@troymi.gov) to request an informational packet

City of Troy website  
[www.troymi.gov](http://www.troymi.gov)

Internet access creates a 24-hour, 7-day-a-week service window for citizens seeking information on the City of Troy.

What's online at [www.troymi.gov](http://www.troymi.gov)?

- Check your Property Tax Bill
- Check your Water Bill Statements
- Current Bid Items Posted by the Purchasing Department
- City Job Postings
- Community Calendar
- Youtube Channel with City Meetings & Troy Programming
- Webcast of live Council Meetings
- City Council Agendas & Minutes
- Building Permit Applications
- Business License Application Forms
- GIS Mapping Tool
- Zoning Ordinance, Master Plan
- New Business Checklist
- Troy Today, annual Budget, City Publications, and News Releases
- Construction Projects & Maps
- City Code and Charter
- Email access to City Administrators
- Economic Development Tools
- Dashboard – Measuring Troy's Performance
- Open Troy – Check Registers, Contracts, Salaries/Benefits, and Union Agreements

## Comprehensive Annual Financial Report (CAFR)

The information in this document has been drawn from selected segments of the City of Troy Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. Complete financial statements of the City of Troy with additional demographic and economic information are published in the CAFR.

The City was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its CAFR for the fiscal year ended June 30, 2012. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting our CAFR for the current year to the GFOA.

To request a copy of the CAFR, contact: the City Manager's Office by mail at:  
500 W. Big Beaver, Troy MI 48084;  
email at: [tashnickbl@troymi.gov](mailto:tashnickbl@troymi.gov)  
or call: 248.524.3330.



# City Awards and Accolades

## City Awards and Accolades

**Safest City** – The CQ Press City Crime Rankings for 2013, places Troy as the **Safest Michigan City** across all population sizes and **35th overall Safest City in the US**.

**Top 10 Cities for Families** – In 2013, Family Circle Magazine named Troy as one of the top ten cities for families in the nation. Troy is the only city in Michigan to be listed in the top ten.

**Best Place To Live in Michigan** – In 2012 Money Magazine named Troy to their Best Places to Live List – Number One in Michigan and among the top 100 small cities in America.

**Best City for Young Families** – NerdWallet ([www.nerdwallet.com](http://www.nerdwallet.com)), a consumer advocacy website, ranked Troy first among the best cities in Michigan for young families based on the City's cost of living, education system, & economic growth.

**For the 7th straight year, Troy's** business development efforts have been recognized by this highly respected UM-Dearborn study. Troy was named one of the state's eight "Top Performing Communities" for fostering entrepreneurship and economic growth in 2012.

The **City of Troy** received the Triple Crown in Financial Reporting from the **Government Finance Officers Association** for the Comprehensive Annual Financial Report, the Popular Annual Financial Report and the Budget Preparation. Troy is one of very few Michigan cities to receive all three **nationally recognized awards**.

**Leader in Sustainability** – In 2013, Troy received SEMCOG's Sustainable Community Recognition Program Award.

**Financing Your Future** – In 2013, Troy Public Library received the ALA/FINRA "Smart investing@your library" grant to help teach teens and their parents how to build financial literacy skills for a lifetime.

**Elite Fleet Award 2013** was awarded to **Troy's Fleet Maintenance Division**. The elite fleets are the best of the best and only one fleet per year is added to the ranks of elite fleets. This **prestigious award** is given to the #1 fleet winners from the previous 4 years as long as they are still meeting the highest standards in fleet.

The City of Troy's **Fleet Maintenance Division** once again met the Blue Seal of Excellence Recognition Program standards established by the National Institute for Automotive Service Excellence (ASE). The City of Troy's Fleet Division is the only municipality in the State of Michigan that met the criteria to be recognized in the **Blue Seal Recognition Program**.

**Troy was named Tree City** for the 22<sup>nd</sup> year by the Arbor Day Foundation to honor its commitment to community forestry.