



2007-08 Budget

General Revenues by Source - 10-Year History Governmental Funds

Description	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Property Taxes	\$ 34,826,853	\$ 38,372,719	\$ 40,335,494	\$ 42,772,221	\$ 45,093,163	\$ 47,720,109	\$ 49,445,596	\$ 49,729,110	\$ 51,455,237	\$ 49,877,171
Licenses and Permits	1,722,198	1,679,479	2,254,763	2,221,451	2,048,206	1,522,133	1,449,003	1,649,985	1,607,445	1,662,592
Federal Sources	221,418	194,107	418,053	205,639	307,050	569,310	437,061	415,609	2,928,690	961,366
State Sources	10,070,393	11,150,210	11,883,491	15,460,750	13,012,679	17,169,346	15,946,030	19,579,823	12,944,756	12,073,497
County Sources	85,781	100,202	99,781	107,585	118,646	159,268	142,450	241,418	165,154	891,705
Charges for Services	4,103,707	2,329,584	2,856,612	3,009,779	3,996,793	3,667,536	5,870,215	6,310,960	8,594,731	7,895,033
Fines and Forfeits	556,706	782,345	806,743	836,035	1,061,310	1,171,749	896,833	960,250	973,527	994,373
Interest Income	4,791,007	5,121,407	4,428,158	5,140,688	5,406,554	2,687,564	1,664,399	1,198,874	2,213,067	2,947,672
Miscellaneous	6,613,528	2,990,334	3,133,423	4,558,264	2,614,718	3,999,601	4,798,868	5,497,512	2,817,781	1,601,059
Total	\$ 62,991,591	\$ 62,720,387	\$ 66,216,518	\$ 74,312,412	\$ 73,659,119	\$ 78,666,616	\$ 80,650,455	\$ 85,583,541	\$ 83,700,388	\$ 78,904,468

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General Expenditures by Function - 10-Year History Governmental Funds

Description	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government	\$ 5,213,126	\$ 5,365,312	\$ 6,371,802	\$ 6,520,286	\$ 7,134,820	\$ 7,605,215	\$ 8,217,477	\$ 8,657,335	\$ 8,978,687	\$ 9,002,076
Public Safety	19,945,705	20,824,076	21,591,628	21,609,992	22,787,828	24,721,059	25,229,356	26,313,278	27,203,034	27,973,275
Roads and Streets	2,929,284	2,790,409	3,119,250	2,955,145	3,458,730	3,321,820	3,822,154	3,944,998	5,074,870	4,755,184
Sanitation	3,957,455	3,396,282	3,516,686	3,523,772	3,477,389	3,671,275	3,708,860	3,500,055	2,780,643	2,835,772
Other Public Works	3,428,877	2,832,966	2,742,275	3,015,089	3,359,645	3,808,488	4,198,140	4,432,201	4,432,841	4,367,093
Park&Rec,Cemeteries	4,288,277	4,584,181	5,485,326	5,621,048	5,794,366	6,245,061	7,419,478	7,976,960	8,504,982	8,596,120
Library/Museum	2,436,536	2,696,414	2,585,158	2,782,020	3,196,809	4,042,658	4,474,276	4,547,590	4,758,578	4,780,602
Debt Service	4,608,001	4,544,281	3,921,278	3,822,450	5,132,067	12,819,195	7,214,312	17,283,219	6,356,165	3,439,568
Capital Outlay	11,456,688	10,612,465	10,581,256	35,102,539	22,422,333	56,099,017	42,801,620	22,194,876	14,791,534	18,994,837
Other	3,276,370	-	-	-	-	-	-	-	-	-
Econ.&Phys. Dev.	442,325	487,866	780,067	782,293	397,874	675,157	576,366	553,242	474,591	2,011,275
Total	\$ 61,982,644	\$ 58,134,252	\$ 60,694,726	\$ 85,734,634	\$ 77,161,861	\$ 123,008,945	\$ 107,662,039	\$ 99,403,754	\$ 83,355,925	\$ 86,755,802



General Fund Balance Compared to Annual Expenditures

Fiscal Year Ended 30-Jun	Reserved Fund Balance	Unreserved Fund Balance	Unreserved/Undesignated Fund Balance	Annual Expenditures	Unres./Undesig. Balance as a % of Expenditures
1997	\$ 2,850,854	\$ 2,658,564	\$ 5,944,594	\$ 39,012,105	15%
1998	\$ 1,463,558	\$ 3,960,226	\$ 9,055,918	\$ 39,422,332	23%
1999	\$ 1,387,895	\$ 5,134,886	\$ 11,347,690	\$ 41,861,809	27%
2000	\$ 1,926,331	\$ 7,764,963	\$ 11,520,476	\$ 44,268,940	26%
2001	\$ 3,177,624	\$ 10,206,139	\$ 9,994,133	\$ 45,696,518	22%
2002	\$ 3,383,974	\$ 8,826,224	\$ 9,749,911	\$ 49,707,371	20%
2003	\$ 3,524,927	\$ 8,934,088	\$ 8,967,715	\$ 52,833,401	17%
2004	\$ 3,597,139	\$ 8,679,658	\$ 8,175,958	\$ 55,568,486	15%
2005	\$ 708,988	\$ 10,061,573	\$ 13,036,631	\$ 57,300,794	23%
2006	\$ 618,143	\$ 15,123,263	\$ 11,157,403	\$ 58,042,415	19%

Value of Taxable Property 10-Year History

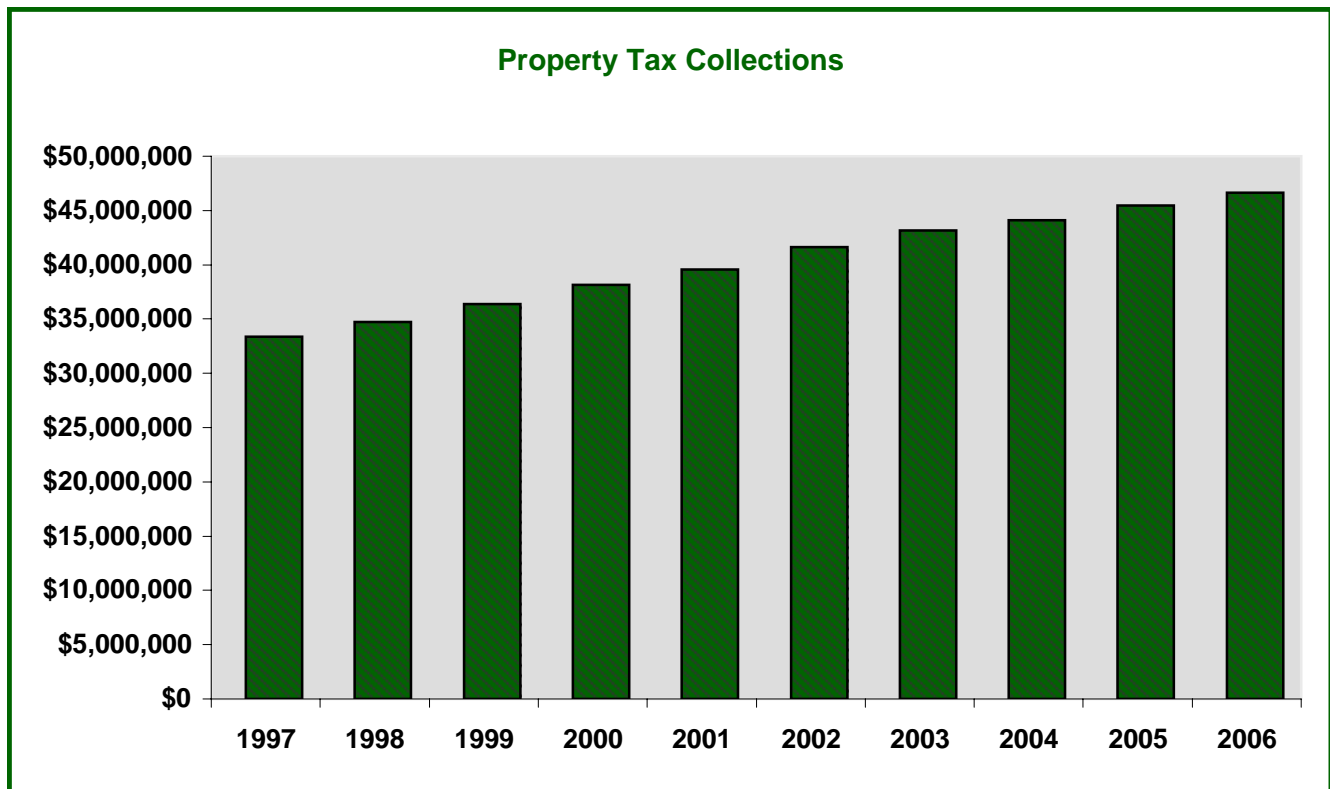
Fiscal Year Ended 30-Jun	Real Property	Personal Property	Total Taxable Property	Real Property As Percent of Total Taxable Property
1997	3,051,120,348	522,531,950	3,573,652,298	85%
1998	3,195,831,127	579,417,710	3,775,248,837	85%
1999	3,379,498,283	626,129,990	4,005,628,273	84%
2000	3,517,064,100	666,496,353	4,183,560,453	84%
2001	3,730,001,390	643,070,690	4,373,072,080	85%
2002	4,036,688,730	649,562,212	4,686,250,942	86%
2003	4,241,676,110	619,964,538	4,861,640,648	87%
2004	4,394,026,741	584,236,696	4,978,263,437	88%
2005	4,558,664,800	536,093,423	5,094,758,223	89%
2006	4,760,853,880	503,497,670	5,264,351,550	90%



2007/08 Budget

Property Tax Levies and Collections 10-Year History

Fiscal Year Ended 30-Jun	Total Tax Levy	Current Tax Collections	% of Taxes Collected	Delinquent Tax Collections	Total Tax Collection	% of Total Collection to Tax Levy
1997	\$ 33,511,137	\$ 32,630,061	97.37%	\$ 766,644	\$ 33,396,705	99.66%
1998	\$ 34,834,939	\$ 33,978,096	97.54%	\$ 737,431	\$ 34,715,527	99.66%
1999	\$ 36,316,680	\$ 35,645,833	98.15%	\$ 732,372	\$ 36,378,205	100.17%
2000	\$ 37,904,870	\$ 37,391,650	98.65%	\$ 736,580	\$ 38,128,230	100.59%
2001	\$ 39,434,080	\$ 38,848,160	98.51%	\$ 693,813	\$ 39,541,973	100.27%
2002	\$ 41,803,788	\$ 41,016,410	98.12%	\$ 632,486	\$ 41,648,896	99.63%
2003	\$ 43,497,146	\$ 42,574,532	97.88%	\$ 582,323	\$ 43,156,855	99.22%
2004	\$ 44,251,910	\$ 43,440,583	98.17%	\$ 672,473	\$ 44,113,056	99.69%
2005	\$ 45,666,420	\$ 44,814,456	98.13%	\$ 637,527	\$ 45,451,983	99.53%
2006	\$ 46,913,799	\$ 45,924,486	97.89%	\$ 726,792	\$ 46,651,278	99.44%





Demographic Statistics

Fiscal Year		# of Households	Median Household	School Enrollments (3)	Median Age	Unempl. Rate (4)
Ended 30-Jun	Estimated Population (1)		Effective Buying Income (2)			
1997	82,560	29,896	\$ *	12,064	37	1.6%
1998	83,787	30,274	\$ 59,601	12,050	37.3	1.9%
1999	84,549	30,434	\$ 60,004	12,066	*	1.6%
2000	85,124	30,721	\$ 61,806	12,079	37	1.6%
2001	80,959 (5)	30,872	\$ 65,642	12,101	38.1	2.3%
2002	84,531	31,371	\$ 70,342	12,043	38.1	3.2%
2003	84,841	31,504	\$ 65,625	12,092	38.1	3.2%
2004	85,956	31,944	\$ 62,862	12,059	38.1	3.2%
2005	86,740	32,281	\$ 64,630	12,005	38	4.7%
2006	87,159	32,431	\$ *	12,131	38.1	4.9%

- (1) Estimates provided by the City of Troy Planning Department
- (2) Development by *Sales and Marketing Management* in New York, NY
- (3) Troy School District
- (4) Michigan Employment Security Commission
- (5) U.S. Bureau of the Censes
- * Information not available

Race	Population Based on 2000 Census	Percentage of Population
White	66,627	82%
Black	1,694	2%
American Indian	125	0%
Asian	10,730	13%
Pacific Islander	18	0%
Other	292	0%
Multiple	1,473	2%

Highest Level of Educational Attainment - Age 25 or Older Based on 2000 Census	
Did Not Graduate High School	4,219 (8%)
Graduated High School	9,432 (17%)
Some College, No Degree	9,989 (18%)
Associate's Degree	3,495 (6%)
Bachelor's Degree	15,260 (28%)
Graduate or Professional Degree	11,844 (22%)



2007/08 Budget

Top 20 Taxpayers

Rank	Name	2007 Assessed Value	2007 Taxable Value	# of Parcels	Business Activity	% of Total Taxable Value
1	Frankel Forbes Cohen	\$73,885,700	\$66,908,700	3	Somerset Collection	1.21
2	Liberty Property	60,111,630	43,202,080	23	Office Leasing	0.78
3	Nykel Management	40,726,630	40,726,630	24	Somerset Apts.	0.73
5	888 W. Big Beaver Assoc.	34,073,130	33,826,600	2	Office Leasing	0.61
5	Detroit Edison	33,588,050	33,584,420	16	Utility	0.61
6	Osprey Troy Officentre	32,578,810	32,578,810	2	Office Leasing	0.59
7	Kelly Services	38,583,900	31,360,640	13	Temp. Help & Corporate HQ	0.57
8	Riggs & Company	42,206,590	30,719,090	2	Office Leasing	0.55
9	Macy's	29,435,560	29,435,560	4	Retail	0.53
10	Oakland Mall, LLC	34,207,730	28,992,980	9	Retail	0.52
11	Nemer Troy Place	49,302,930	26,513,910	5	Office Leasing	0.48
12	LaSalle Bank	25,355,170	25,355,170	2	Office Leasing	0.46
13	Sheffield Office	24,011,340	24,011,340	4	Office Leasing	0.43
14	840-880 W. Long Lake Assoc.	26,985,010	23,889,530	2	Office Leasing	0.43
15	Delphi	26,195,240	22,652,420	14	Corporate HQ	0.41
16	755 Tower Associates	22,793,170	21,731,430	2	Office Leasing	0.39
17	EA & S Associates	25,437,510	21,156,640	6	Office Leasing	0.38
18	First Industrial Realty Trust	25,403,190	20,906,460	32	Ind. Leasing	0.38
19	Diamond Troy JV LLC	20,506,670	20,506,670	2	PUD	0.37
20	Flagstar	24,743,610	20,074,750	2	Banking & Corporate HQ	0.36
		\$690,131,570	\$598,133,830			10.78%

2007 Total Assessed Value \$6,422,659,810

2007 Total Taxable Value \$5,550,516,437

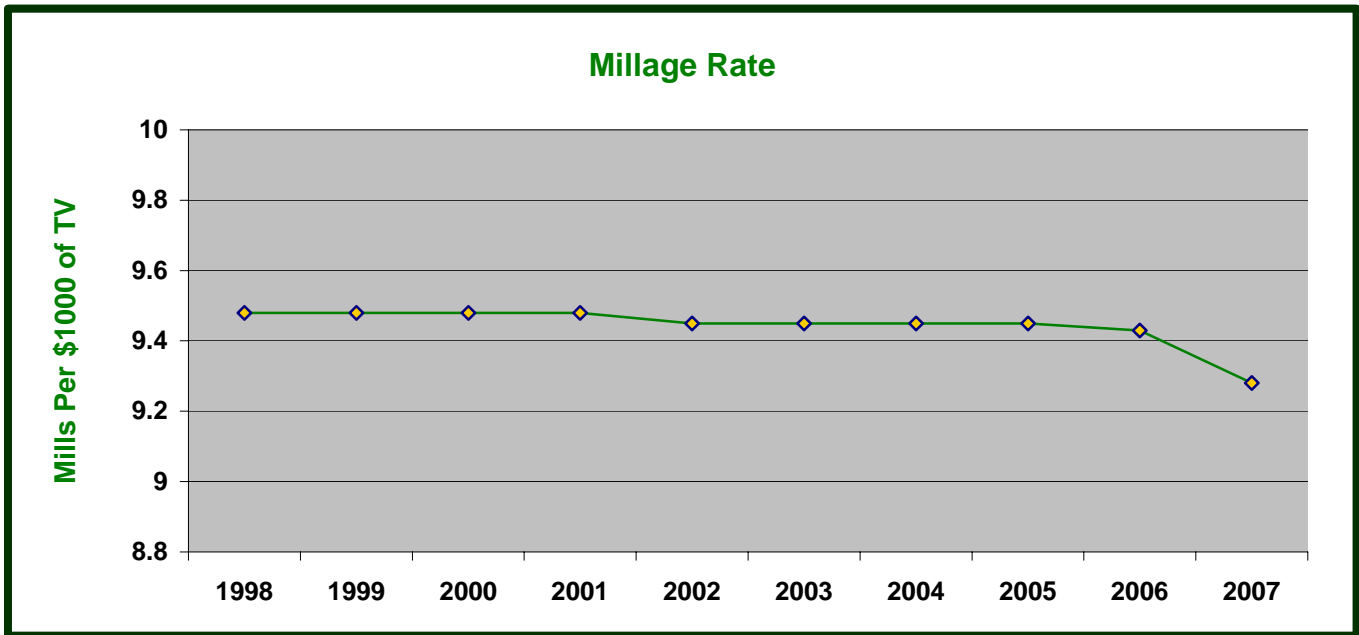


**Property Values and Construction
Last 10 Fiscal Years**

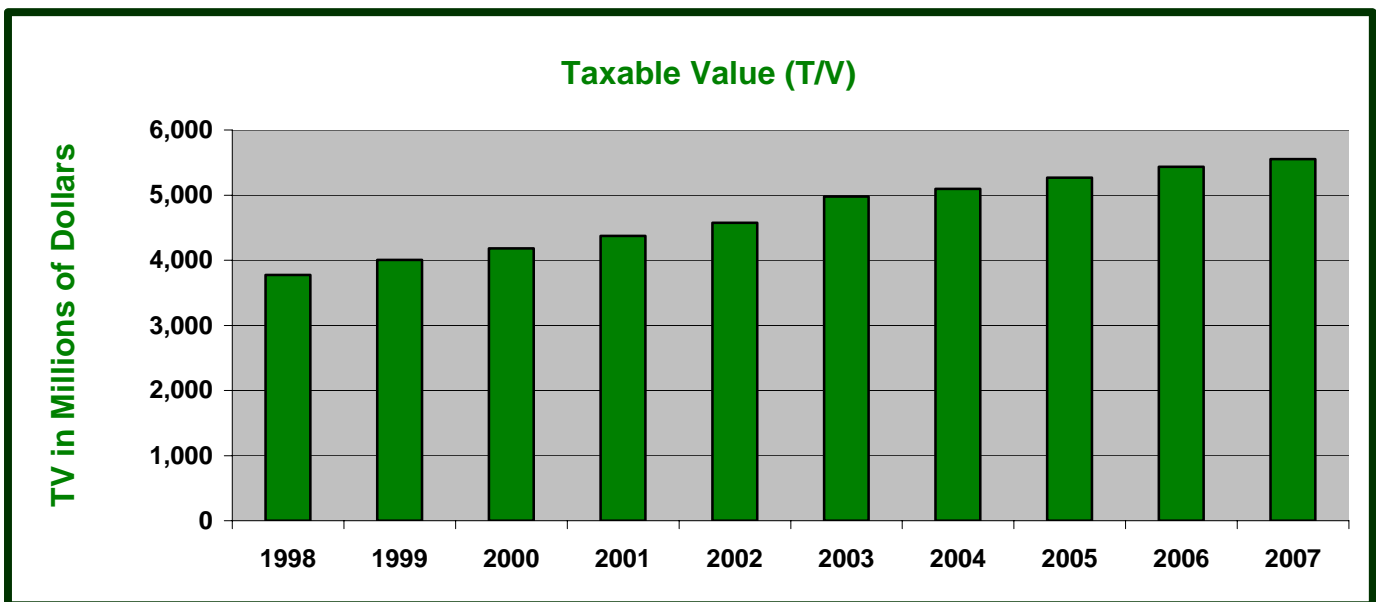
Fiscal Year Ended June 30 of the Following Years:	Property Values	Construction
1997	\$7,345,993,740	\$173,458,968
1998	\$7,909,327,920	\$190,550,736
1999	\$8,569,921,628	\$260,729,204
2000	\$9,393,852,366	\$255,604,926
2001	\$10,437,194,600	\$230,713,492
2002	\$11,305,127,884	\$143,908,032
2003	\$11,911,394,796	\$141,941,808
2004	\$12,376,168,512	\$140,823,926
2005	\$12,674,445,946	\$143,697,564
2006	\$13,052,148,660	\$114,459,317

**Collective Bargaining Agreements**

Bargaining Unit	Expiration Date	# of Employees Covered
American Federation of State, County and Municipal Employees (AFSCME) - Public Works Employees	6/30/09	82
Michigan Association of Police (MAP) - Clerical Employees, Police Service Aides	6/30/07	69
Troy Command Officers Association (TCOA) - Command Police Officers	6/30/08	36
Troy Police Officers Association (TPOA) - Police Officers	6/30/08	102
Troy Fire Staff Officers Association (TFSOA) - Career Fire Professionals	6/30/09	12



The City of Troy has maintained one of the lowest tax rates of surrounding cities.



In Michigan the assessed value is approximately 50% of the market value of a home. If the home sells for \$200,000 the assessed value would be \$100,000. Each mill levied on this property would cost \$100 annually (before any applicable state or federal tax credits). Under the state school funding system (Proposal A) the annual increase in the taxable value of your property is capped at the rate of inflation or 5%, whichever is less.



Economic Statistical Data

<u>Area</u>	34.3 square miles (21,952 acres)		
<u>Form of Government</u>	Council-Manager (since December 12, 1955)		
<u>Present Charter</u>	Adopted December 12, 1955		
<u>Elections</u>	Registered voters (City General Election November 8, 2005)		54,038
	Number of voters voting in City General Election November 8, 2005		13,713
	Percentage of registered voters voted		25.4%
	Registered voters (General Election November 7, 2006)		54,036
	Number of voters voting in General Election November 7, 2006		34,167
	Percentage of registered voters voted		63.2%
<u>Fiscal Year Begins</u>	July 1 st		
<u># of Employees</u>	472 regular, 445 seasonal, summer and fall programs		
<u>Fire Protection</u>	6 stations, training center, 180 volunteer firefighters, 14 career personnel, ISO Class 3		
<u>Police Protection</u>	1 station, 135 police officers, 42 non-sworn and 15 civilian employees		
<u>Building Construction</u>	1996/97	2,245 permits	\$173,458,968 estimated value
	1997/98	2,091 permits	\$190,550,736 estimated value
	1998/99	2,196 permits	\$260,729,204 estimated value
	1999/00	2,190 permits	\$255,604,926 estimated value
	2000/01	1,946 permits	\$230,713,492 estimated value
	2001/02	1,938 permits	\$143,908,032 estimated value
	2002/03	1,867 permits	\$141,941,808 estimated value
	2003/04	2,110 permits	\$140,823,926 estimated value
	2004/05	2,136 permits	\$143,697,564 estimated value
	2005/06	1,927 permits	\$114,459,317 estimated value
<u>Streets</u>	423 miles improved 4.9 miles unimproved		
<u>Sewers</u>	10 miles (combination storm and sanitary) 384 miles sanitary sewer 510 miles storm sewer		
<u>Street Lights</u>	564 Detroit Edison-owned 1,558 City-owned		
<u>Water Plant</u>	Accounts:		
	City – Regular		27,076
	Annual Distribution		663 million cubic feet
	Water Mains		536 miles
	Hydrants		5,759

[A]... Accrual basis accounting recognizes transactions when they occur, regardless of the timing of related cash flows. The application of accrual accounting techniques prevents distortions in financial statement representations due to shifts in the timing of cash flows and related underlying economic events near the end of a fiscal period.

ACT 51 highway and street funds are derived from gas and weight taxes, and are distributed to communities by the Michigan Department of Transportation based on a municipality's population and number of street miles.

An **activity** is an office within a department to which specific expenses are allocated.

Appropriation refers to authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose.

The City of Troy's **appropriation ordinance** is the official enactment by City Council establishing legal authority for the City to incur obligations and to expend public funds for a stated purpose.

[B]... A balanced budget is one in which estimated revenues are equal to or greater than estimated expenditures.

The **budget message** is a written policy and financial overview of the City as presented by the City Manager.

A **budgetary center** is a grouping of office, or activity, budgets that are combined to create a cost center in which actual expenditures cannot exceed budgeted appropriations.

[C]... A disbursement of money that results in the acquisition of, or addition to, fixed assets is called a Capital expenditure. The item must have a purchase price greater than \$5,000 to be considered a Capital item.

The **Capital Projects Fund** is used to account for development of municipal Capital facilities other than those financed by the Enterprise Fund.

The **Community Development Block Grant (CDBG)** is a federally funded program to assist communities in the expansion and improvement of community services, to develop and improve neighborhoods, and to restore and preserve property values.

[D]... The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

Deferment is a form filed (by qualifying residents) that allows a postponement of the summer homestead tax, without levying interest or penalty, unless payment is made after the deferment date.

A **deficit** is an excess of liabilities and reserves of a fund over its assets.

Glossary of Key Concepts

The **departmental mission statement** describes the course of action proposed to link the City's goals and objectives with the financial resources of the department.

[E]... An **enterprise fund** is used to account for operations that are financed and operated in a manner similar to a private business, i.e. the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. An example of an enterprise fund is the Water and Sewer Fund.

The **equalization factor** is a multiplier applied to the assessed value of a class of property by the County Equalization Department or State Tax Commission that will produce a sum that represents 50 percent of the true cash value of that class.

Expenditure is the cost of goods delivered and services rendered, whether paid or unpaid, including expenses, debt retirement not reported as liability of the fund from which retired, or capital outlay.

An **expenditure object** is a specific classification of expenditure accounts that includes a number of related accounts determined by the type of goods and services to be purchased. For example, the personnel services expenditure object includes the wages account as well as all fringe benefit accounts. Expenditure objects include personnel services, supplies, other services/charges, capital outlay, debt service, and transfers out.

[F]... **FOIA** is the acronym for the Freedom of Information Act.

Fixed assets are equipment and other Capital items used in governmental fund type operations and are accounted for in the general fixed assets group of accounts rather than in the government funds. Such assets, which are recorded as expenditures at the time of purchase, do not include certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems. No depreciation has been provided on general fixed assets.

A **fund** is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities.

The City's accounts are organized on the basis of funds and account groups in order to report on its financial position and results of its operations. **Fund accounting** is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund balance is the excess of a fund entity's accumulated assets over its liabilities. Typically, excess revenues over expenditures at year-end will increase a fund's fund balance.

Glossary of Key Concepts

[G]... The **Governmental Accounting Standards Board (GASB)** is the ultimate authoritative accounting and financial reporting standards-setting body for state and local governments.

The **General Fund** is the City's major operating fund to account for all financial resources except those required to be accounted for in another fund.

Generally Accepted Accounting Principals (GAAP) are the conventions, rules and procedures that define accepted accounting practice at a particular time, including both broad guidelines of general applications and detailed practices and procedures. GAAP represents the benchmark by which financial statements are measured.

The **Government Finance Officers Association (GFOA)** of the United States and Canada is a professional organization of public officials united to enhance and promote the professional management of governmental financial resources by identifying, developing and advancing fiscal strategies, policies and practices for public benefit.

[I]... **Internal Service Funds** are used to finance and account for services furnished by a designated department to another department within a single governmental unit. Examples of funds in this category are Building Operations, Fleet Maintenance, and Information Services.

[L]... A **Line Item Budget** is one that emphasizes allocations of resources to given organizational units for particular expenditures, such as salaries, supplies, services, and equipment. Line item budgets may be organized to provide accountability at varying levels, such as on department, division, or agency levels.

[M]... The **Michigan Transportation Fund (MTF)** designates bonded road projects that are financed by Motor Vehicle Highway Funds.

The **modified accrual basis of accounting** recognizes revenues in the period they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority. Exceptions to the general rule of expenditure recognition occur in debt service.

[O]... The **operating budget** represents the authorized revenues and expenditures for ongoing municipal services and is the primary means by which government is controlled. The life span of an operating budget typically is one year or less, as opposed to a Capital budget, which usually has a long-term outlook, showing projects spanning a several year period. Personnel costs, supplies, and other service/charges are found in an operating budget.

Other Services/Charges is an expenditure object within an activity that includes professional services, utilities, rents, and training, for example.

Glossary of Key Concepts

[P]... Performance indicators measure how a program is accomplishing its mission through the delivery of products or services.

Performance objectives are desired output-oriented accomplishments which can be measured within a given time period.

Personal Services is an expenditure object within an activity, which includes payroll and all fringe benefits.

[R]... Results-oriented budgeting is a management concept that links the annual line item budget to departmental results of operations.

Revenue is defined as an addition to the assets of a fund which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital in enterprise or in intra-governmental service funds.

[S]... SAD is the acronym for special assessment district.

The **service statement** shows general and specific service deliveries rendered by an activity for the community.

The **Special Revenue Fund** is used to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or the major capital projects) that are legally restricted to expenditures for specified purposes.

State Shared Revenue refers to the portion of the \$.06 sales tax returned to local governments based on per capita taxable value, population and relative tax effort.

Supplies is an expenditure object within an activity, which includes all supplies that have a useful life of less than one year and/or a purchase price of less than \$500.

Surplus refers to an excess of the assets of a fund over its liabilities and reserves.

[T]... Transfers - In/Out are legally authorized funding transfers between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

[U]... Unreserved Fund Balance is the balance of net financial resources that are spendable or available for appreciation or the portion of fund balance that is not legally restricted.

[W]... Water & Sewer Fund: The enterprise funds account for the operation of the water and sewer system. The revenues consist of charges for services from City businesses and residences that are used to pay for all water and sewer related expenses.

