



2008/09
Budget

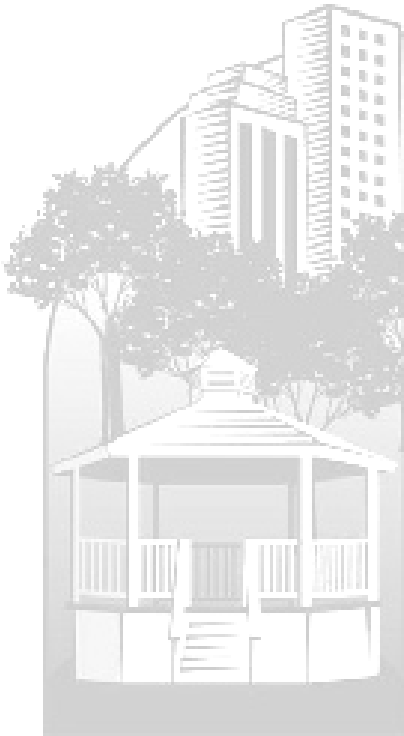
Finance & Administration

ASSISTANT CITY MANAGER/FINANCE & ADMINISTRATION:

John M. Lamerato

Financial Services Director:

James Nash



City of
Troy

FUNCTIONAL ORGANIZATIONAL CHART**Accounting**

- Performs accounting of all financial transactions
- Processes payroll and retiree payments
- Processes accounts payable transactions
- Processes accounts receivable transactions for the General Fund
- Assists in annual audit
- Process grant reimbursement requests

City Assessor's Office

- Supervises preparation of Assessment Roll
- Serves as secretary of the Board of Review
- Implements policies and procedures
- Defends City in all matters before full Michigan Tax Tribunal

City Treasurer's Office

- Performs collection and recording of all City revenue accounts
- Prepares and deposits all funds to appropriate accounts
- Maintains and balances tax roll
- Reconciles the DDA District
- Maintains billing of special assessments and name and address files
- Processes outgoing City mail

Purchasing

- Processes all non-construction bid requests for goods and services
- Reviews and approves all on-line purchase orders
- Reviews and approves all City invoices
- Performs contract administration of City-wide, non-construction contracts

Risk Management

- Coordinates the Casualty/Property Insurance Program
- Coordinates the Workers' Compensation Insurance Program
- Coordinates the employee insurance benefits programs
- Coordinates the employee safety programs



DEPARTMENT AT A GLANCE

Funding		Estimated				
Level	2005/06	2006/07	2007/08	2007/08	2008/09	% Of
Summary	Actual	Actual	Budget	Budget	Budget	Change
Accounting	\$1,033,561	\$1,069,964	\$1,117,720	\$1,118,590	\$1,139,650	1.9%
Board of Review	1,236	1,616	1,910	1,600	1,960	22.5%
City Assessor's Office	833,078	899,665	938,100	960,050	987,520	2.9%
City Treasurer's Office	513,336	452,466	564,880	566,770	579,530	2.3%
Independent Audit	57,000	59,280	60,350	61,650	62,250	1.0%
Purchasing	374,617	405,995	354,110	361,970	375,900	3.8%
Total Department	\$2,812,828	\$2,888,986	\$3,037,070	\$3,070,630	\$3,146,810	2.5%
Personal Services	\$2,374,870	\$2,507,053	\$2,562,490	\$2,587,180	\$2,686,930	3.9%
Supplies	67,444	66,331	68,700	70,300	68,200	-3.0%
Other Services/Charges	370,514	315,602	405,880	413,150	391,680	-5.2%
Total Department	\$2,812,828	\$2,888,986	\$3,037,070	\$3,070,630	\$3,146,810	2.5%

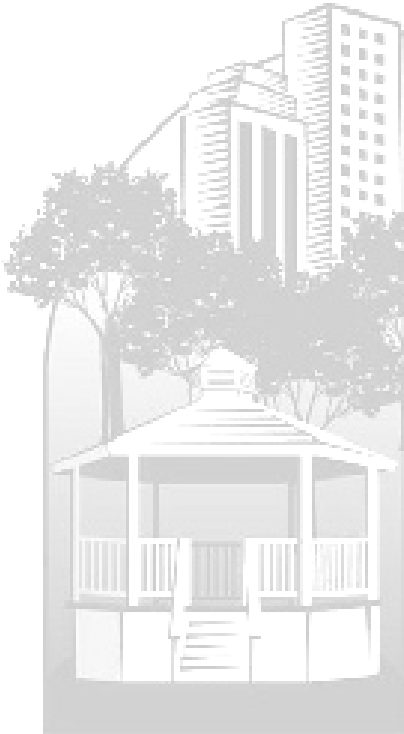
Personnel								
Summary	2005/06		2006/07		2007/08		2008/09	
	Full - Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Finance	26	3	26	3	26	3	26	3
Total Department	26	3	26	3	26	3	26	3

FINANCIAL SERVICES DIRECTOR:

James Nash

Risk Manager:

Stephen Cooperrider



City of
Troy



DEPARTMENT AT A GLANCE

Funding		Estimated				
Level	2005/06	2006/07	2007/08	2007/08	2008/09	% Of
Summary	Actual	Actual	Budget	Budget	Budget	Change
Accounting/Risk Management	\$1,033,561	\$1,069,964	\$1,117,720	\$1,118,590	\$1,139,650	1.9%
Total Department	\$1,033,561	\$1,069,964	\$1,117,720	\$1,118,590	\$1,139,650	1.9%
Personal Services	\$972,665	\$1,010,255	\$1,052,480	\$1,052,470	\$1,078,930	2.5%
Supplies	15,934	15,122	15,200	14,600	13,200	-9.6%
Other Services/Charges	44,962	44,587	50,040	51,520	47,520	-7.8%
Total Department	\$1,033,561	\$1,069,964	\$1,117,720	\$1,118,590	\$1,139,650	1.9%

Personnel								
Summary	2005/06		2006/07		2007/08		2008/09	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Accounting/Risk Management	10.5	0	10.5	0	10.5	0	10.5	0
Total Department	10.5	0	10.5	0	10.5	0	10.5	0

MISSION AND SERVICE STATEMENTS

Mission Statement

The mission of the Accounting Department is to achieve excellence in the accounting of all financial transactions, and provide support to City departments with financial; budgetary; and procurement issues. The mission of Risk Management is to acquire appropriate insurance coverage for the City and to evaluate City facilities; activities; procedures; and policies to limit risks.

Service Statement

The Accounting Department is responsible for the books of original entry for the assets; liabilities; equities; revenues; and expenditures of the City. Payroll; retiree payments; accounts payable; escrow deposits; fixed asset details; grant records; and accounts receivable are accounted for under the direction of the Financial Services Director. All funds are monitored for accuracy and proper accounting methods. An annual audited financial report, required by State statute, is produced and expanded into the Comprehensive Annual Financial Report (CAFR).

Monthly financial reports are provided to all departments. These reports provide actual expenditures for the previous fiscal year and current expenditures to date as compared to budgeted amounts for the current year. Any questions regarding these reports are handled through Accounting.

The processing of payroll for all City employees is an important function of Accounting.

All time sheet information is entered and income tax withholding payments related to payroll are processed in a timely manner. In addition to the regular bi-weekly payroll for current employees, monthly checks are prepared for the City's retirees.

Accounting processes all accounts payable checks on a weekly or monthly basis, depending on the vendor. Fixed assets and depreciable asset records are maintained by Accounting. Listings are provided to departments on a yearly basis for the purpose of taking a physical inventory of assets assigned to them.

Risk Management is responsible for administering the City's insurance programs that include casualty and property; workers' compensation; employee medical; dental; life; and disability insurance, and the employee safety program. Premiums for employee health insurance are reconciled and processed monthly.

Did You Know?

New accounting standards require cities to report their current liability for future retiree health care costs. An actuarial study found Troy to have one of the best funding ratios in Michigan.

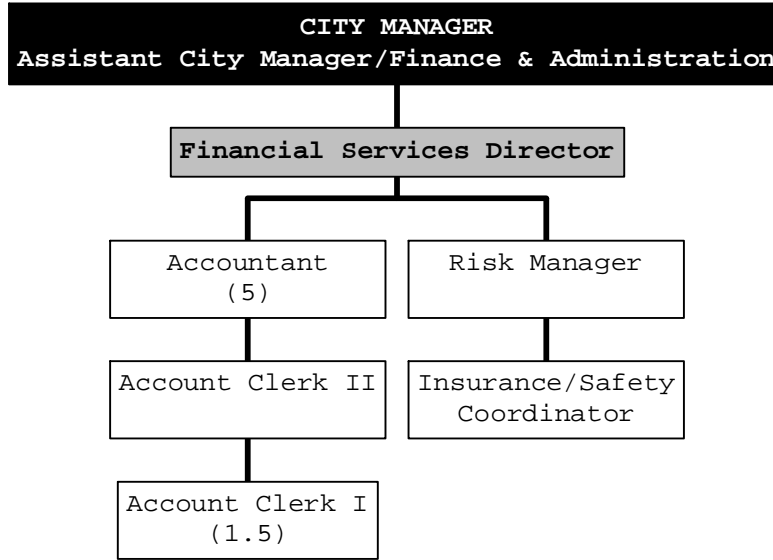
PERFORMANCE OBJECTIVES
Objectives

- Complete the implementation of New World Systems Enterprise Financial Management System (**Objective 3,4,9**)

*See the list of objectives established by City Council in the **CITY-WIDE ACTION PLAN** on pages 16 and 17.

Performance		2006/07	2007/08	2007/08	2008/09
Indicators		Actual	Projected	Budget	Budget
Output	• Payroll Checks/Direct Deposits	22,701	23,000	23,000	23,000
	• General Fund Invoices	2,041	2,100	2,200	2,200
	• Insurance Certificates Approved	386	349	380	380
	• Accounts Payable Checks	14,036	14,500	14,000	14,000
	• Retiree Checks/Direct Deposits	3,423	3,500	3,400	3,400
	• Surety Bonds Approved	14	20	25	25
Efficiency	• GFOA Certificate of Achievement Awards	10	11	11	12
	• Administration of Federal Grant Expenditures	\$569,045	\$800,000	\$1,000,000	\$1,000,000
	• Workers' Comp Claims Per 100 Employees	8	8	8	7
	• Liability Claims Processed	114	119	140	140
	• Safety Training Programs Conducted	17	17	18	18
	• Hospitalization Insurance Change Transactions	551	495	500	500

ORGANIZATIONAL CHART



Staff	Approved	Approved	Recommended
Summary	2006/07	2007/08	2008/09
Financial Services Director	1	1	1
Account Clerk I	1.5	1.5	1.5
Account Clerk II	1	1	1
Accountant	5	5	5
Insurance/Safety Coordinator	1	1	1
Risk Manager	1	1	1
Total Department	10.5	10.5	10.5

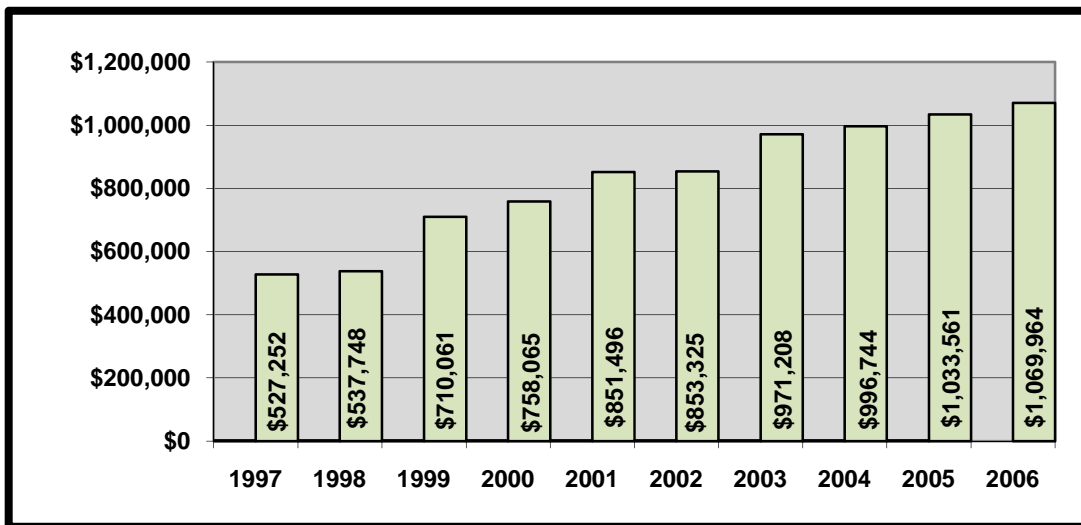
SUMMARY OF BUDGET CHANGES

Significant Notes - 2008/09 Budget Compared to 2007/08 Budget

Supplies decreased by \$1,400 due to a one-time purchase last year.

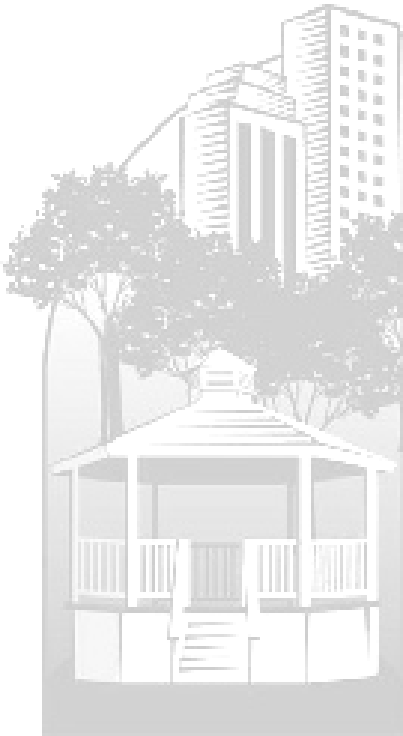
Other Services/Charges decreased by \$4,000 reflecting reductions in membership dues and training.

Operating Budget History



CITY ASSESSOR:

Leger(Nino)Licari



City of
Troy



DEPARTMENT AT A GLANCE

Funding		Estimated				
Level	2005/06	2006/07	2007/08	2007/08	2008/09	% Of
Summary	Actual	Actual	Budget	Budget	Budget	Change
City Assessor's Office	\$833,078	\$899,665	\$938,100	\$960,050	\$987,520	2.9%
Board of Review	1,237	1,616	1,910	1,600	1,960	22.5%
Total Department	\$834,315	\$901,281	\$940,010	\$961,650	\$989,480	2.9%
Personal Services	\$719,476	\$781,975	\$817,880	\$837,520	\$865,420	3.3%
Supplies	16,995	18,224	20,000	21,000	20,500	-2.4%
Other Services/ Charges	97,844	101,082	102,130	103,130	103,560	0.4%
Total Department	\$834,315	\$901,281	\$940,010	\$961,650	\$989,480	2.9%

Personnel								
Summary	2005/06		2006/07		2007/08		2008/09	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
City Assessor's Office	8	2	8	2	8	2	8	2
Total Department	8	2	8	2	8	2	8	2



MISSION AND SERVICE STATEMENTS

Mission Statement

The mission of the City Assessor's Office is to accurately inventory and appraise every parcel of property in Troy in order to fairly distribute tax burden, which supports the cost of government.

Service Statement

The City Assessor's Office assesses all real and personal property within Troy. As mandated by the State of Michigan Constitution, all property must be assessed at 50% of its market value. The first function of the process involves an accurate inventory of all of this property, which requires that the City Assessor's Office be able to legally describe all real property, whether it be a "metes and bounds" (engineered survey) or a platted lot (subdivision) description. As a function of this process, the City Assessor's Office handles all combinations, splits, corrections and any other description changes that may be requested by an owner of a property.

The City Assessor's Office ensures that any description changes meet local ordinances with the assistance

of the Building Inspection and Planning Departments.

These changes must also conform to the Land Division Act. The City Assessor's Office makes sure the correct owner of all property is recorded with that property. This is accomplished through examination of deeds, and property transfer affidavits. These two items are also used to assist in the assessment of property.

The City Assessor's Office is responsible for the special assessment rolls, which ensure equitable disbursement of the cost of infrastructure improvements to all benefited parties. The City Assessor's Office administers the principal residence exemption and property transfer affidavit programs mandated by the changes brought about by Proposal "A" of 1994. The City Assessor's Office is responsible for a combined total 2008 state equalized valuation that will top \$6.10 billion, second only to Detroit in the state of Michigan.

Did You Know?

Of all the counties in the state, Troy's state equalized value would rank 14th if it were a county by itself.

PERFORMANCE OBJECTIVES

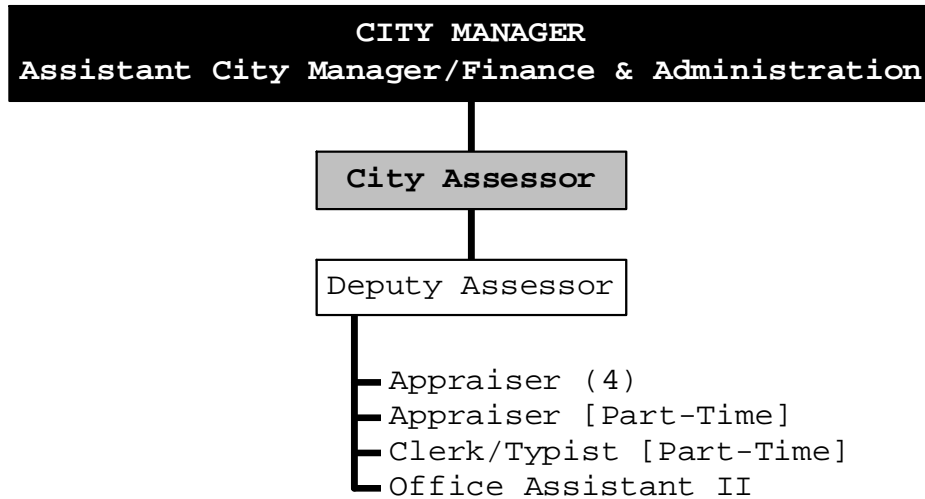
Objectives

- Fairly and equitably spread the tax liability amongst property owners by achieving a 50% ratio of assessment to market value, with a 1.00 County and State equalization factor (**Objective 9**)
- Ensure the market value adjustments are accurate within subdivisions by analyzing all sales data to determine whether it is included in the sales study (**Objective 9**)
- Make available electronically to the public any assessment data legally allowed (**Objective 1, 6**)

*See the list of objectives established by City Council in the **CITY-WIDE ACTION PLAN** on pages 16 and 17.

Performance		2006/07	2007/08	2007/08	2008/09
Indicators		Actual	Projected	Budget	Budget
Output	• Commercial and Industrial Appraisals	300	300	300	300
	• Residential Appraisals	1,800	1,700	1,500	1,700
	• Personal Property Audits	300	428	300	400
	• Principal Residence Exemptions	3,000	3,000	3,000	3,000
	• Transfer Affidavits and Deed Processing	6,500	6,000	6,000	6,000
	• Property Description Changes	500	198	250	300
	• Re-inspections	1,500	1,500	1,500	1,500
	• Small Claims Tribunal Appeals	40	200	100	200
	• Full Tribunal Appeals	50	70	70	55
Efficiency	• Sales Ratio	50%	50%	50%	50%
	• Equalization Factor	1.00	1.00	1.00	1.00
	• Budget Cost per Parcel	26.50	27.15	27.15	26.00
	• Assessing Budget % of General Fund	1.4%	1.5%	1.5%	1.4%

ORGANIZATIONAL CHART

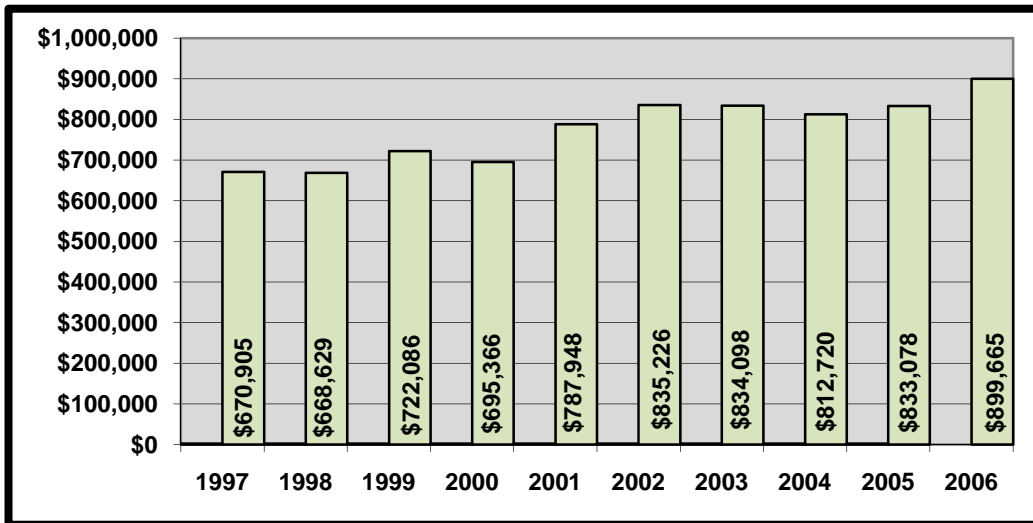


Staff	Approved	Approved	Recommended
Summary	2006/07	2007/08	2008/09
City Assessor	1	1	1
Deputy Assessor	1	1	1
Appraiser	4	4	4
Appraiser (Part-Time)	1	1	1
Clerk/Typist	2	0	0
Clerk/Typist (Part-Time)	1	1	1
Office Assistant II	0	2	2
Total Department	10	10	10

SUMMARY OF BUDGET CHANGES

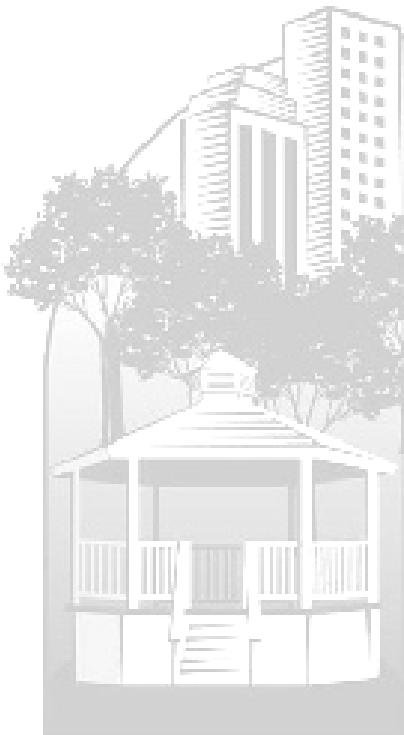
Significant Notes - 2008/09 Budget Compared to 2007/08 Budget

Operating Budget History



PURCHASING DIRECTOR:

Susan Leirstein



City of
Troy



DEPARTMENT AT A GLANCE

Funding		Estimated				
Level	2005/06	2006/07	2007/08	2007/08	2008/09	% of
Summary	Actual	Actual	Budget	Budget	Budget	Change
Purchasing Department	\$374,617	\$405,995	\$354,110	\$361,970	\$375,900	3.8%
Total Department	\$374,617	\$405,995	\$354,110	\$361,970	\$375,900	3.8%
Personal Services	\$353,538	\$382,797	\$333,300	\$339,570	\$353,700	4.2%
Supplies	6,968	6,939	6,200	6,400	6,200	-3.1%
Other Services/ Charges	14,111	16,259	14,610	16,000	16,000	-----
Total Department	\$374,617	\$405,995	\$354,110	\$361,970	\$375,900	3.8%

Personnel		2005/06		2006/07		2007/08		2008/09	
Summary		Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Purchasing Department		3	1	3	1	3	1	3	1
Total Department		3	1	3	1	3	1	3	1



MISSION AND SERVICE STATEMENTS

Mission Statement

The Purchasing Department ensures value for City of Troy departments by procuring goods and services at the lowest competitive price from responsible vendors meeting specifications.

Service Statement

Troy is one of the founding members of the MITN (Michigan Intergovernmental Trade Network) Purchasing Cooperative (formerly the Tri-County Purchasing Cooperative). Since March 3, 2003, the Michigan Intergovernmental Trade Network (MITN) e-procurement website, established by the Cooperative, has been used by the City of Troy. Thirty-eight other entities in addition to Troy use the site to provide vendor registration; auction services; posting of bids; quotations; requests for proposals; addenda; and awards (including tabulations). By establishing this centralized system, vendors now have a single point of contact and broader access to new business opportunities in our region.

Greater efficiency has been achieved for the participating agencies by reducing bid processing costs and creating more competition. Over 5,300 vendors actively utilize the MITN website. As of January 1, 2005 the MITN on-line auction website became operational.

MITN auction sales for 2006/07 and through January 2008 totaled \$45,910.05 and \$16,571.56 respectively and included well-used or obsolete items such as furniture; office equipment; vehicles; parks equipment; fire apparatus; and computers.

The City's Engineering Department utilized the MITN system for the first time in 2007 and experienced a savings of approximately \$180,000 on engineer's estimates for two asphalt overlay projects.

Did You Know?

For the fifth year in a row Purchasing received the prestigious Achievement of Excellence in Procurement (AEP) award from the National Purchasing Institute. The AEP is awarded annually to organizations that demonstrate excellence by obtaining a minimum score on a rating of standardized criteria. The program is designed to measure innovation; professionalism; productivity; and leadership attributes of a procurement organization. The City of Troy is one of only 31 entities nationwide to receive the award at least five times.

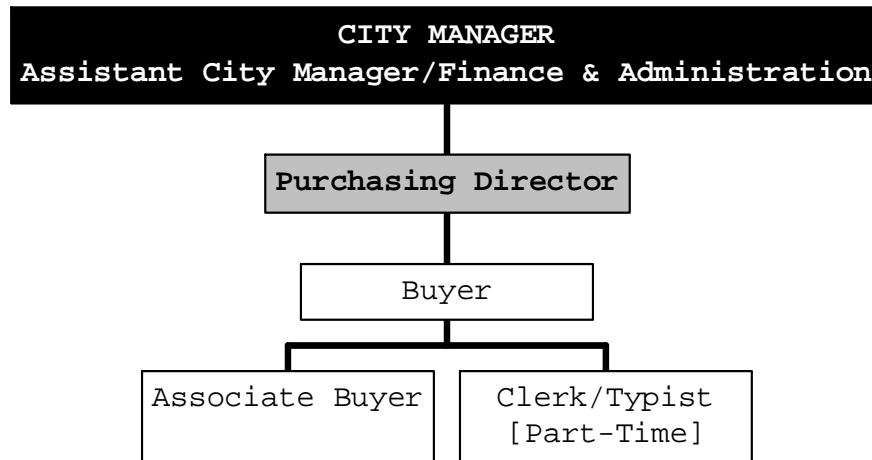
PERFORMANCE OBJECTIVES
Objectives

- As part of the E-procurement Initiative, implement an electronic bidding process in cooperation with the agencies that comprise the Michigan Intergovernmental Trade Network (MITN) at no cost to the City (**Objective 6**)
- Expand the use of Electronic Data Interchange (EDI) to handle utility payments (**Objectives 6, 9**)
- Monitor and adjust spending on Citywide contracts for further savings i.e. office supplies, cell phones, pagers, copiers, natural gas, etc. (**Objectives 3, 9**)
- Promote sustainability where feasible and practical (**Objective 8**)

*See the list of objectives established by City Council in the **CITY-WIDE ACTION PLAN** on pages 16 and 17.

Performance		2006/07	2007/08	2007/08	2008/09
Indicators		Actual	Projected	Budget	Budget
Output	Bid/Proposals Processed	48	50	50	50
	Bid/Proposal Responses Rec'd	184	200	200	200
	Value of Solicited Contracts	\$3.8 M	\$4 M	\$4 M	\$4 M
	Goods/Services Purchased	\$30.4 M	\$32 M	\$30 M	\$32 M
	Other Contracts Originated	\$1.27 M	\$1.4 M	\$1.3 M	\$1.4 M
	P-Card Transactions per Year	1,979	2,000	2,000	2,000
	Total P-Card Spending	\$359,151	\$360,000	\$360,000	\$360,000
	\$ Generated Property Auctioned	\$117,940	\$100,000	\$100,000	\$100,000
Efficiency	Average # of Days from Bid Request to Award	74	72	65	70
	Bid Process Savings	\$1.1 M	\$500,000	\$500,000	\$500,000
	Awards <u>without</u> Dispute	100%	100%	100%	100%
	Purchasing Budget as a % of Total Purchases	1.3%	1.1%	1.2%	1.2%
	Total Purchases Monitored per Full-Time Employee	\$10.1 M	\$10.7 M	\$10 M	\$10.7 M
	Average Amount of P-Card Transactions	\$181	\$180	\$180	\$180
	Office Supply Rebates	\$6,800	\$5,000	\$5,000	\$5,000

ORGANIZATIONAL CHART



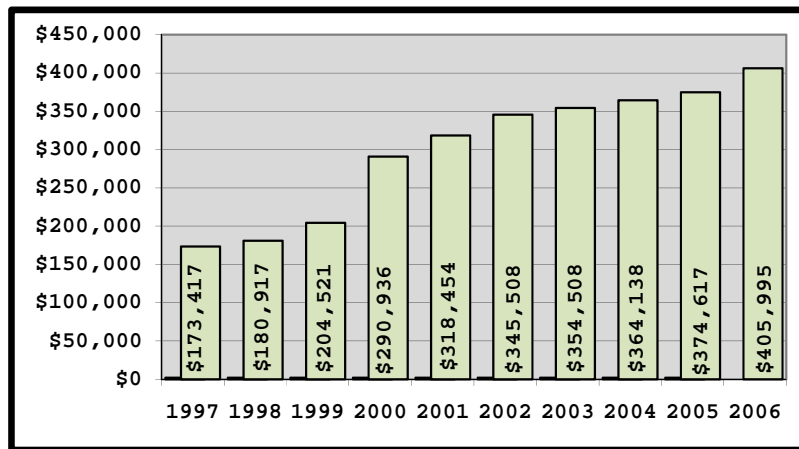
Staff	Approved	Approved	Recommended
Summary	2006/07	2007/08	2008/09
Purchasing Director	1	1	1
Buyer	0	1	1
Associate Buyer	1	1	1
Clerk/Typist [Part-Time]	1	1	1
Purchasing Systems Administrator	1	0	0
Total Department	4	4	4

SUMMARY OF BUDGET CHANGES

Significant Notes - 2008/09 Budget Compared To 2007/08 Budget

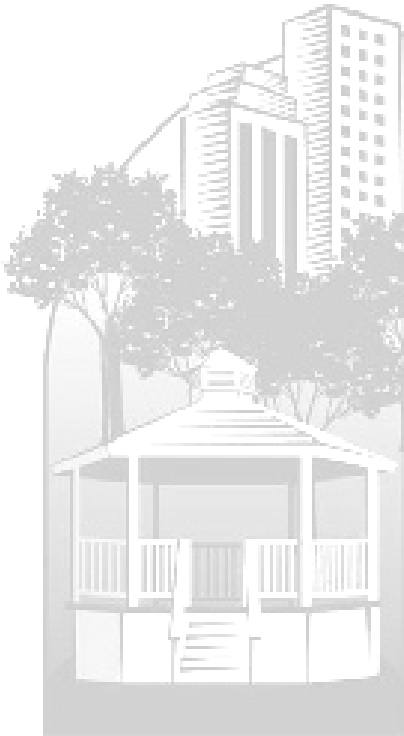
In an effort to hold down expenditures Purchasing has reduced their operating budget for Office Supplies and Education and Training, and eliminated Office Equipment Maintenance and Pager budgets.

Operating Budget History



CITY TREASURER:

Sandra Kasperek



City of
Troy



DEPARTMENT AT A GLANCE

Funding		Estimated				
Level	2005/06	2006/07	2007/08	2007/08	2008/09	% Of
Summary	Actual	Actual	Budget	Budget	Budget	Change
City Treasurer's Office	\$513,336	\$452,466	\$564,880	\$566,770	\$579,530	2.3%
Total Department	\$513,336	\$452,466	\$564,880	\$566,770	\$579,530	2.3%
Personal Services	\$329,191	\$332,026	\$358,830	\$357,620	\$388,880	8.7%
Supplies	27,547	26,046	27,300	28,300	28,300	-----
Other Services/ Charges	156,598	94,394	178,750	180,850	162,350	-10.2%
Total Department	\$513,336	\$452,466	\$564,880	\$566,770	\$579,530	2.3%

Personnel		2005/06		2006/07		2007/08		2008/09	
Summary									
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	
City Treasurer's Office	4.5	0	4.5	0	4.5	0	4.5	0	
Total Department	4.5	0	4.5	0	4.5	0	4.5	0	



MISSION AND SERVICE STATEMENTS

Mission Statement

The mission of the City Treasurer's Office is to provide knowledgeable and courteous customer assistance for residents; businesses; and visitors, and to implement the most current information technology available.

Service Statement

The City Treasurer's Office serves as the focal point for all collections, deposits and disbursement of receipts for the City on a daily basis. Key functions of this office include the billing, collection, and distribution of tax roll revenues. As taxes are collected, distributions are made to each of the State, County, School District, and municipal taxing authorities. Another main function of the Treasurer's Office is collection of revenue in the form of payments for general invoices; annual special assessments for paving; water main; sewer; drains; and sidewalks, and quarterly water bills.

A convenient automatic water bill payment plan was implemented for residents who like the option of paying water bills directly from a checking or savings account.

Automatic bill payment saves time and money, which often means fewer late fees for past due water payments.

Computerized point-of-sale equipment with scanning capabilities provides quick and accurate transaction data entry.

Electronic files containing payment information for hundreds of parcels are imported from tax service companies and downloaded to the tax database.

Water and tax payments processed at our financial institution's lockbox provide same-day deposits and daily electronic information files. These files are imported and down-loaded to the water and tax databases easily and cost-effectively.

Tax payments by credit card are accepted through the Payments Authority, which applies a convenience fee.

Did You Know?

Tax information is accessible 24 hours a day, 7 days a week on the City of Troy's website www.ci.troy.mi.us.

Drop boxes are conveniently located outside the east and west entrances to City Hall. Payments by check may be placed in the drop boxes at any time.

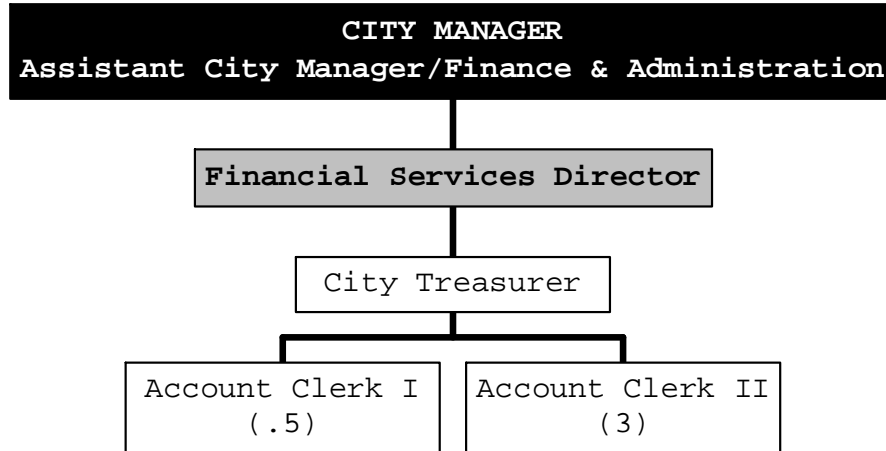
PERFORMANCE OBJECTIVES
Objectives

- Review and evaluate policies and procedures to develop strategies for increasing efficiency and improving customer service (**Objective 1, 2, 3, 9**)
- Research additional payment alternatives to provide supplementary cost-effective payment options for customers (**Objective 3, 6, 9**)
- Research and evaluate outgoing mail solutions (**Objective 3**)
- Implement a seamless transition to new financial software (**Objective 1, 3, 6, 9**)

*See the list of objectives established by City Council in the **CITY-WIDE ACTION PLAN** on pages 16 and 17.

Performance		2006/07	2007/08	2007/08	2008/09
Indicators		Actual	Projected	Budget	Budget
Output	• Tax Bill Payments Processed Manually	24,380	25,000	24,000	25,000
	• Tax Bill Payments Processed - Electronically and Lockbox	40,590	42,000	42,000	42,000
	• Tax Bill Payments Processed - Online/IVR Credit Card	290	290	250	300
	• Tax Adjustments Processed	220	220	250	230
	• Water Bill Payments Processed Manually	31,790	34,500	31,300	34,500
	• Water Bill Payments Processed - Lockbox	53,990	54,000	57,000	54,000
	• Water Bill Payments Processed - Auto Pay	13,470	14,500	15,000	15,000
	• Special Assessments Billed	110	110	150	130
	• Invoices Processed	1,400	1,500	2,000	1,500
	• Number of Pieces of Mail Processed	176,710	180,000	200,000	190,000
	• Customers Enrolled in Auto Pay	3,900	4,000	4,000	4,000
Efficiency	• Tax Roll Delivered to County	4/1	4/1	4/1	4/1
	• % of Real City Property Tax Levy Collected	98	98	98	98
	• % of Personal City Property Tax Levy Collected	95	95	95	95

ORGANIZATIONAL CHART



Staff	Approved 2006/07	Approved 2007/08	Recommended 2008/09
Summary			
City Treasurer	1	1	1
Account Clerk I	2.5	0.5	0.5
Account Clerk II	1	3	3
Total Department	4.5	4.5	4.5

SUMMARY OF BUDGET CHANGES

Significant Notes - 2008/09 Budget Compared to 2007/08 Budget

An overall increase in wages of \$12,260 is attributable to normal increases and partly to the anticipation of overtime during the financial system conversion.

Computer Services decreased by \$2,400 (12.5%) due to the elimination of one computer at the Treasurer's Office counter.

Tax refunds were reduced by \$15,000 (10.7%) as supported by historical data for this line item.

Operating Budget History

