

## Blog

## Summary

Listed by:

Date 6

December 2009

November 2009

October 2009

September 2009

August 2009

July 2009

June 2009

May 2009

April 2009

March 2009

February 2009

January 2009

December 2008

November 2008

October 2008

September 2008

August 2008

July 2008

June 2008

May 2008

April 2008

March 2008

February 2008

January 2008

December 2007

November 2007

October 2007

September 2007

January 30

## What is the real Troy Population number????

When I got my Financial Summary in the Troy Times today, I began browsing it. The demographic numbers put out by our city has always amazed me. On page 2 under Community Profile a table is displayed with Demographic data. This data is the same data provided in the 2008 CAFR on page 118 with ONE NOTABLE EXCEPTION, the population data does not list the source in the Financial Summary, it does in the 2008 CAFR. All the population data except for year 2001 are estimates provided by the City Planning Department. The US Bureau of Census provides the 2001 data.

Note that in 2000, the city estimates the population as 85,124. In 2001, the US Census Bureau provides a population of 80,959 [although in reality this is for the 2000 year]. It would seem that 4,165 left our fair city [yes I know that these figures are not exact but estimates]. But do not be alarmed; our City Planning Department estimates that most of them came back. Yes, 3,572 came back in 2002 for an estimated population of 84,531. By 2008, not only did the rest come back but they also brought their friends. The city estimates that we now have a population of 87,956 in 2008.

Are these estimates accurate? Given that many people are leaving Michigan, is Troy bucking the trend with a population increase of 8.64%? SEMCOG, of which Troy is a member and we pay annual dues, has a different estimate of the population in Troy. For 2008, SEMCOG estimates Troy's population at 80,490. I personally put more faith in SEMCOG's estimate. Why? I won't go into all the facts but one stands out, one of their roles is to provide regional forecasts concerning many issues. They have a responsibility to provide as accurate a forecast as possible. If Michigan were not in a recession these past 8 years, the city's population estimate would be in line with the growth that occurred from 1980 to 2000. But the economic conditions this decade have soured and people are leaving the state in droves. Did the city make that adjustment? I don't think so.

### Now why is this all-important?

**If we overestimate our population by 8.64%, staff can use the larger population to argue why the staff levels need to be kept. So when a city employee retires, they can argue the need to replace that individual. Ten years ago in 1999 there were 460 full time and 172 part time employees. Last year there were 472 full time and 445 part time employees. This represents an increase of 12 Full time and 273 part time employees. You cannot look at these numbers in total since the needs have changed over these years. Some departments increased while others decreased. Some are leaner than they were in 1999 while others have increased in size. That is not to say there needs to be a decrease in the number of employees only that we should not believe the argument that there are a lot more people in Troy today than there was in 1999.**

**A larger population allows management to present a lower tax load per capita than it actually is. Personally, I don't care for those numbers. Who cares? What I care is that we spend our taxes wisely and on those things that are needed. Tell me where we are spending the money and why we are spending that amount? Don't start telling me we are spending so many pennies per day per resident. How much are we spending each year or for each project in total? Using a population that is 8.64% larger than it is, lowers the per capita amounts by 8.5% of what they actually are.**

1:10 AM | [Add a comment](#) | [Permalink](#) | [Blog it](#) | [City of Troy](#)

January 27

## More questions than answers

My last two entries were concerning the 6 million dollar budget amendment that was passed by the Troy City Council on January 5, 2009. So is this one since more questions surround this expenditure than can be answered from the explanation previously given.

As in my last entry, I was made aware of that these adjustments were for the Capital Projects Fund. On page 55 of the 2008 CAFR, the notes indicate that on June 30, 2008 there was \$23,743,384 in the Unreserved Fund for Capital Projects. Of this amount, \$8,644,000 was designated for subsequent year's budgets and \$15,099,384 was undesignated. [In addition, on page 54, the Capital Projects Fund had \$539,016 reserved for Project Commitments].

If this money in the adjustment was for projects previously budgeted but not spent, why didn't the money come from the \$8,644,000 designated portion? You will also note that the Undesignated/Unreserved balance had decreased from \$15,099,384 to \$10,321,988 indicating that this years budget has allocated \$4,136,980 from this fund balance for (I am assuming) new or additional amounts not previously budgeted for.

Based on what we all have heard and seen going on in the financial world, we know that sometimes accounting becomes a shell game. Transfer In, Transfer Out. Lump the amounts under one designation. When the Federal Government gave 350 billion dollars to Wall Street people clamored "Why wasn't the money lent out? Where did it go?" Wall Streets reply was that it was commingled with our other funds and therefore we cannot tell you where specifically it went. Maybe that is what has happened here, the money has been commingled and they can not tell us where it went.

Because this adjustment was so large, the city needs to provide a better detailed explanation as to why it was necessary. Unfortunately, we are not about to get that. The money has been commingled, moved around and only a detailed printout down to the individual item level will provide an answer, something that will not occur. Besides, who has the time to look at it? Definitely No One on council. Trust the professions. Yeah right. Just like they said when I challenged the initial report put out by Hubbell Ross concerning the I-75/Long Lake Interchange. What did those professionals say to city council after they reviewed the report to address my concerns and provided

a new report, Just forget that previous report, the numbers used weren't valid.

Call me paranoid but unfortunately, my dealings with the city have shaken my trust in the "Professionals". Ronald Reagan said it best "Trust but Verify". Unfortunately city council is good on the first part, not so good on the second part.

10:41 PM | [Add a comment](#) | [Permalink](#) | [Blog it](#) | [City of Troy](#)

### [Correction to previous blog entry](#)

In my previous blog entry I had made reference to the Undesignated/Unreserved fund being used for the budget amendment. It was brought to my attention that I had the figures from the wrong fund. I was using the General Fund Undesignated/Unreserved fund figures when I should have been using the Capital Projects Undesignated/Unreserved funds. Does this make a difference? The answer is Yes as to the amount involved but it still begs the question - Why such a large amendment?.

On page 55 of the 2008 Cafr, it shows that instead of the \$4,136,980 (that I had previously stated was being carried over from the 2007-2008 budget to the 2008-2009 budget), that it was actually \$8,644,000 being carried over for Capital Projects, more than twice the amount I had thought.

As a layman, I admit that looking at the financial terminology and understanding all the ins and outs can get confusing. Hell, just look at what the Wall Street Wizards were doing and the end results. But the point being made at the table was that none of these expenditures in the amendment were new. They were items that had been previously approved and budgeted for but were unspent as of June 30, 2008. That the department heads tried to estimate what would be unspent by the end of the fiscal year for this year's budget. They weren't off by much when they estimated the unspent funds from the General Fund, why were they off by 6 million for the Capital Projects? If there needed to be a 6 million dollar adjustment when the audit found 8.6 million to be carried over to subsequent years, that's a poor estimate made by the department heads.

I am glad that this error was brought to my attention so that I could make the correction, but the question still exists **"Why were the estimates for the unspent funds so far off?"**

As a tax payer, we need a more detailed answer than what we got. When a 6 million dollar ROUTINE adjustment has to be made, we need to know why the estimates were off. More specifically, what projects they were and why they were off by so much.

7:19 AM | [Add a comment](#) | [Permalink](#) | [Blog it](#) | [City of Troy](#)

January 08

### [Backdoor Budget Increase](#)

Happy New Year

I know that it has been a long time since my last blog entry, but after what I saw Monday night, January 5, 2009 during the cable cast of the Troy City Council meeting, I just could not let what occurred go without a comment. If you did not see it, watch the archived video on the city's web site or borrow the video from the library. Go and watch agenda item E-3 where city council, including your Tax Fighters, approved additional \$6,086,000 in expenditures to this year's budget. Did I read you right Vic, an **ADDITIONAL 6 MILLION DOLLARS?**

Where were those members on city council that did not want to use the Undesignated/Unreserved fund to balance the budget? Mayor Pro Tem Martin Howrylak was not at the meeting so he had no say in the matter. However, those self proclaimed Tax Fighters **Councilman Wade Fleming** and **Councilwoman Christina Broomfield** along with newly elected (after a brief hiatus) tax watcher **Councilman David Eisenbacher** voted to approve **additional expenditures** totaling **6 Million dollars** to be paid by removing 6 Million dollars from the Undesignated/Unreserved fund. I guess it is OK politically to get on your soap box during the budget process to proclaim and demand that the Undesignated/Unreserved fund **Not** be used to balance the budget and then 8 months later approve a 6 million dollar adjustment that does exactly that. What a bunch of Hog Wash. I would surmise that the Tax Fighters are **REALLY TAX LIARS.**

Councilman Eisenbacher did ask for management to explain what this amendment really was about since such a **LARGE** amount was involved. What I heard didn't explain to me what really was happening. What I understood from the response was that these projects were already budgeted and these were adjustments that normally occur as a result of the timing of the budget process. That in May of last year, staff did not know how much of the then budgeted items would be completed and estimated what would carry over to this year's budget. If that is what management meant then that is a bunch of Horse Pucky. Why would I say such a thing? The recently concluded audit for the 2007-2008 budget stated on page XII of the 2008 CAFR:

"The fund balance of the General Fund decreased by \$1.2 million to a balance of \$23,632,762. Of the \$23,632,762 fund balance, \$617,505 is reserved for such items as inventory and prepaid items; \$9,171,895 is unreserved but designated for tax appeals, insurance claims and improvements and maintenance; **\$4,136,980 is unreserved but designated for the 2008/09 budget**; and \$1,000,000 is designated for the Volunteer Firefighters Incentive Plan, leaving \$8,706,382 as unreserved and undesignated."

This 4 million seems to verify what was stated in the Approved 2008-2009 budget document (downloaded from the city's web site) on page 9:

"The budget calls for the reliance on Fund Balance reserves of \$4.1 million, compared to \$3.2 million last year."

And page 26:

"Re-appropriation of \$4.1 million of Fund Balance is planned for fiscal year 2008/09."

Maybe I am missing something but I take that this 4.1 million dollars is what was budgeted in 2007-2008 budget and was not used up by June 30, 2008 and therefore these budgeted items were then carried over to the 2008-2009 budget year. If that is the case then the 6 million dollars approved were **NEW** expenditures that were not anticipated during the budgeting process for the 2008-2009 budget and are now being added to the budget.

So the “6 Million Dollar” question is, “What does this budget amendment really mean?”

I say contact your so called Tax Fighters and ask them “Did you just approve an additional 6 million dollars to be spent in this years budget?”“Did you just go back on your stated position of not using the Undesignated/Unreserved Fund to balance the budget”?

If someone has an explanation as to what this 6 million dollar adjustment really is, please provide me with that information. I really would like to get it straight.

8:55 PM | [Add a comment](#) | [Permalink](#) | [Blog it](#) | [City of Troy](#)