

Zimbra

2011-2012 TBRA Budget

From : Victor Lenivov <v_lenivov@yahoo.com>

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Subject : 2011-2012 TBRA Budget 25 attachments**To :** Robin Beltramini <rbeltram@wideopenwest.com>, Wade Fleming <wade.fleming@proforma.com>, Martin Howrylak <mhowryl@umich.edu>, Mary Kerwin <marykerwin5@hotmail.com>, Maureen McGinnis <mmcginnis@dmcginnis.com>, Louise Schilling <louise.schilling@troymi.gov>, Dane Slater <djlkslater@aol.com>**Cc :** James A Nash <J.Nash@troymi.gov>, Tonni Bartholomew <clerk@troymi.gov>, Jim Campbell <jkcampbell@comcast.net>, Art Cotsonika <Cotsonika@gmail.com>, Lori Grigg Bluhm <bluhmlg@troymi.gov>, John Lameratto <lameratojm@troymi.gov>, Nino Licari <licarila@troymi.gov>, Mark Miller <millermf@troymi.gov>, Donald Schenk <schenkdf@netscape.net>, Robert Swartz <robertswartz@sbcglobal.net>, John Szerlag <j.szerlag@troymi.gov>, Joseph Vassallo <josephjvassallo@gmail.com>, Bruce Wilberding <bwilberding@g2consultinggroup.com>

City Council and Mayor,

I can not believe the lies and deception that the city manager, the two current assistant city managers and the soon to be assistant city manager have promulgated upon you to justify your approving an illegal use of the TBRA's Revolving Loan Fund. No, on second thought, I can believe it since I have experienced first hand such deception from three of these four individuals. I am not going to be PC about this. I will be frank and blunt about it since you are doing this to the group I was affiliated with. Over the years as we approved collecting and spending tax payers money, I have tried to ensure that we were following the law that governed us.

In your agenda packet was included a letter that stated "It was determined that the Comprehensive Annual Financial Report (CAFR) for June 30, 2006 included a fund balance of \$108,728." That is absolutely true. That fund balance is where the Revolving Loan Fund monies are kept. I have attached the pages in the 2005, 2006 and 2007 CAFR's for the TBRA. You will note in 2005 there was a negative fund balance to reflect the money still owed to Grand Sakwa. In 2006 we paid off what was owed to Grand Sakwa and the excess captured taxes were put into the revolving Loan Fund. In 2007, this grew as we continued to capture the Brownfield Plan taxes to put into the Revolving Loan Fund.

But the lie, Yes LIE, comes in the following sentence. "This fund balance pre-dates the revolving loan fund and does not include revolving loan fund dollars." That is absolutely a flat out lie and management probably figures who would contest it. Please ask management since the fund balance on June 30, 2006 pre-dates the revolving loan fund, when was the revolving loan fund created? Based on their statement, it had to be after June 30, 2006 and the Troy City Council would have had to pass a resolution creating it, where is a copy of the resolution. I have attached a copy of the resolution that created the TBRA Revolving Loan Fund. It was Resolution #2001-09-442. You will note the date of this city council meeting was September 10, 2001 which is nearly 5 years before the fund balance that management refers to. Incidentally, John Szerlag was the City Manager then. How did he forget or did he? .

I also have included the pages associated with Resolution #2001-09-442 from the city council packet. Included in those pages are portions of the law governing Brownfield Authorities. As I have stated in my first email to you concerning the illegality of using Revolving Loan Funds to pay for Administrative costs as proposed by city management [Yes the Brownfield Authority voted on it but it was management that prepared it], there are specific rules governing how and on what the captured taxes can be used. Management has taken the position that the \$108,728 in the fund balance on June 30, 2006 are not Revolving Loan funds. If that is in fact the case, then the City of Troy and the TBRA has violated the law by not returning the surplus funds to the appropriate taxing authorities. I have included the current state law MCL 125.266 and the attached Page 0071 from the 9-10-2001 packet for you to read. Note that in the 9-10-2001 page 71, staff has even boxed and underlined the section that applies. Obviously staff knew that surplus funds had to be returned. Here's what the current MCL 125.266 says that applies to this case:

(2) The authority shall expend the tax increment revenues received only in accordance with the brownfield plan. All surplus funds not deposited in the local site remediation revolving fund of the authority under section 13(5) shall revert proportionately to the respective taxing bodies, except as provided in section 15(20).

The difference between this version and in 2001 was the addition of "except as provided in section 15(20) which applies to the school taxes collected which the TBRA didn't collect.

It is amazing at what the city management team will do to get more revenues. If this city council wants to get more money just pass a resolution abolishing the TBRA Revolving Loan Fund period. The 2010 CAFR shows \ \$788,846 in the ending fund balance. Approximately 60% of that would go to the city. Last year, city management wanted to abolish the Revolving Loan Fund. Go ahead and do his bidding. You've been doing it for the past two years.

Councilman Slater mentioned that residents don't trust the city. Even though I have stopped attending city council meetings, I do watch portions of them at home. The lies and deceptions being promulgated are just unbelievable. I like the one where ALL THE STREETS IN TROY ARE CLEARED OF SNOW WITHIN 24 HOURS OF A 4 INCH OR MORE SNOWFALL. When has this city ever cleared all the streets in Troy within 24 hours after a 4 inch snowfall. That is one humongous lie, one that Mayor Pro Tem Kerwin loves to repeat. No wonder people in Troy don't trust city council and city management. With obvious lies like that, who would. I was getting new tires this past winter at Belle Tire in Troy and in the waiting room struck up a conversation with a long time Troy Resident. I asked him if he remembered the last time the City cleared all the streets within 24 hours after a 4 inch snowfall. His response was they never have done that in 24 hours. Their lucky if they could get it done in 48 hours. So true.

Let me end by saying that managements handling of this issue is a good example of "It's not the crime, it's the cover-up."

Victor Lenivov

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My blog ==> <http://vicsview.wordpress.com/>





















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