

**Alma, Michigan**  
**September 25, 2017**

A preparation FY2019 budget goal setting session of the Alma City Commission began at 5:30 p.m. at the Alma Public Library.

**Present:** Ayers, Mapes, Mott, Nyman & Piccolo.

**Absent:** Allman & Harrington.

Interim City Manager Schooley opened this session with an overview of the past and future budget issues.

His four main points of interest are City Services and Resources; Where is the money?; City of Alma Funds: Explanation and the Options in moving forward.

He reviewed two graphs on the Staffing Trends from 1995-2016 of full time employees. In 1995 the City employed 90 full time employees by the year 2016 that number decreased to 76 full time employees.

City Departments have severely changed since 2000. The Building and Grounds Department was merged with the Street Department and Motor Pool. This narrowed down three Superintendents to one. Parks and Cemetery lost 4-6 prison workers in 2008, never to return. No City employees are dedicated to only work solely in the Parks and Cemetery. The vast majority of these cuts in employees were handled through attrition.

Priorities have changed since 2005. Many of the changes occurred from 2005-2010. Many "maintenance" programs have been decreased or eliminated.

The assets (Riverwalk, Playground Equipment) have shown their age in that time. Codes have changed over that period of time and certain maintenance or updates to structures may be too costly to perform. There is the need to maintain the increase and expansion of roadways such as: Pine Ave., Warwick, Heather Lane and Gemstone. The GAWA agreement has substantially increased the workload for the water plant. Most employees in city hall function in multiple roles. Not unlike many businesses, we have to do more with less. We have done a tremendous job in keeping things moving forward without the public noticing the changes but frankly we have maxed out.

We need to look at approving a resolution to stop Capital Asset purchasing within the City for a period of time. We are struggling to maintain what we currently have, grant dollars, donations, and fundraising generally pay to acquire assets not maintain them. At this time we cannot take on more with the present staffing.

Revenue to the City has been declining for years with the dramatic decline in Statutory State Revenue Sharing, changes in tax laws and the economic crash of the late 2000s. The revenue sources have changed significantly.

We are currently working to restructure our services to get a better bang for the buck so to speak. This may take some time, and prioritization of how we spend the funds we have will become the standard. Inter-departmental decisions need to be made as we move forward.

Cynthia Michels, Controller explained the City Funds to the Commission those being the General Fund, Restricted Funds and the Joint Ventures. The General Fund gets its revenue from taxes and revenue sharing. The restricted funds get their revenue from endowments, State funding, user fees, special voted mileage, grants and rents. This revenue can only be used for these restricted funds. Joint Ventures such as the Gratiot Community Airport receives their revenue from separate entities of which Alma is one of the board members.

The Commissioners complimented Ms. Michel on her presentation. It helped them get a better grasp on how the different funds work.

What are the options in moving forward. A point to be made is the City is not broke. We are in better shape than many others. We are attempting to manage the finances in a fiscally responsible manner. We have to make adjustments to ensure our future. We can not rely on the fact that things will change for the better with the uncertainty of the Michigan economy.

There no simple decisions. In fact very difficult decisions lie ahead and involve making changes to how the city operates and maintains or even increases our sense of community. We as City staff need guidance in preparing the FY2019 Budget.

Mr Schooley presented the four options laying ahead of the Commissioners.

Proposal of a City Income Tax, Maintain and Operate - Using Fund Balance for Operational Shortfalls, Cut City Services or Propose a Millage or Introduce a Special Assessment.

Mayor Mapes doesn't believe that any of the options will be favorable but we cannot cut any more staff or services.

A City income tax has to be brought to a vote the people. There are only 22 Cities in Michigan that have income taxes. We would have to look long and hard on the cost j to the City ust in the administration of an income tax.

Commissioner Ayers felt that an income tax would not be liked by the public and the revenue would not bring in much.

Maintain and Operate using Fund Balance for covering shortage is the status quo but cannot go on for very long.

Cutting City Services at this time would have a direct affect on City residents.

Proposals for the Commission to enact a millage or introduce a Special Assessment are the final options. A millage needs to be voted on by the Citizens. It can not be put on the ballot unti 2018, which is too late for the FY2019 budget and there is no guarantee that it will pass. Special Assessments can be passed by the Commission.

A decision would need to be made on the area that will help the General Fund the most.

Each of these options have direct consequences on how the City of Alma will operate moving forward. There are direct consequences for our employees and citizens. The City employees want to be a part of moving the City into the future.

Vice-Mayor Nyman and Commissioner Piccolo left the meeting at 6:20 p. m.

No matter which option we choose, there will be some restructuring within our city departments and how our services are performed.

Ultimately our goal ls to work on the options that the Commission sees as the most viable that carries the best chance of success for our future. The City Staff will need the Commission's input in order to narrow down the one option to explore and bring back with more information.

Commissioner Piccolo asked how do we define success for the future. Staff moral cannot stand anymore cuts.

Commissioner Mott asked about using more volunteers. Volunteers are great but really don't cut staff time. The City is working with Alma College to obtain interns. Possible one of these interns could develop a working volunteer program.

Sara Youngs, Public Services Administrative Assistant asked about starting an employee volunteer program. Discussion was mixed on starting such a program.

Mr. Schooley asked when should we meet again? The Commissioners will get back with him on whether it should be at the regular Tuesday meetings or set another special meeting.

Being no further discussion the meeting ended at 6:45 p.m.

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Sheila Letourneau, City Clerk