

City Manager Aeris Ripley called a special meeting/budget goal setting session of the Alma City Commission to order at 6:00 p.m. at the Alma Public Library.

Present: Roger Allman, Sonia Gibson, Roxann Harrington, Greg Mapes, Michelle Pitts, and Danny Wernick.

Absent: Andrew Bare.

Staff members present: Brett Baublitz, Curtis Dancer, Cheri Rayner, David Ringle, Aeris Ripley, Kathy Roslund, Mark Williams, and Lorrie Taylor.

This special meeting was properly noticed in compliance with Act 267, of the Public Acts of Michigan, 1976. The purpose of the meeting was to discuss goals for the upcoming FY 2027 budget year.

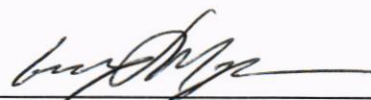
Ripley provided a list of items for discussion, including estimated revenues, personnel expenses, capital improvements for FY 2026 and proposed improvements for FY 2027, millages, water/sewer rates, and items to consider for the upcoming year. (Attachment A). He reviewed each of the items and answered questions. Discussion followed regarding several items on the list, including personal water wells within city limits, street maintenance effects on PASER ratings, street funding, property owner refusals to allow lead water line replacements and ideas for addressing those before the State's deadline, SRF wastewater treatment plant projects, departmental needs and proposed funding, Parks and Recreation millage, IT changes and new website requirements, downtown capital projects, efforts to improve excess river vegetation, a proposed high school building and trades program, housing issues, and state revenue sharing reductions.

Ripley asked for any additional concerns or suggestions and no additional comments were offered.

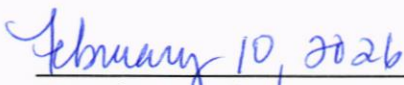
The meeting recessed at 7:40 p.m.



Sara Anderson, City Clerk



Gregory S. Mapes, Mayor



Date of Approval

Goals Discussion – FY2027

February 2, 2026

Estimated Revenues General Fund

Real and Personal Property Taxes (14.2244 Mills Maximum with Hedlee Rollback) - \$3,445,500 (very preliminary number) (approx. \$249,000 increase from prior year approved budget amount)

Intergovernmental Revenue Federal/State Revenue (including ACT 48 Distributions, Constitutional Sales Tax, CVTRS Distribution, LCSA, grants, etc.) - \$1,813,600 (up 5% from prior year approved number, due mostly to an increase in the projected Local Community Stabilization Authority LCSA revenues.)

License, Permits, and Fees - \$315,300 (down \$21,000 (6.5%) from prior year approved budget number, mostly due to continued decrease in Cable Franchise Fees).

Interest Income - \$150,000 (down \$25,000 (14%) from prior year approved budget numbers, mostly due to continued decrease in Interest Rates).

Internal Service Fund - \$709,000 (up from prior year approved budget numbers, which is consistent with historical increases unless a change in personnel).

All Other Revenue - \$99,000 (down \$50,000 from prior year approved budget numbers, mostly due to a decrease in Special Assessments for sidewalk and less projected grant funding).

Total Estimated General Fund Revenue – \$6,550,000 (up \$275,000 (4%) from prior year approved revenue). We do not anticipate additional one-time payments from the State this year. Also, all ARPA funds are finished.

Personnel Expenditures

Estimated General Fund Personnel (Salary and Fringe) Costs for the FY2027, with a 3% COLA for general employees, and 1.5% per union contract, and all merit increases for eligible employees

Total - \$4,429,000 (up approximately \$120,000 - this amount includes Public Works time allocated to General Fund Departments).

The budget assumes filling full-time positions as they are vacated.

Staff education/training outside of the mandatory education/training is encouraged, as budget allows, in each department.

Capital Projects

Neighborhood Street/Street Improvements (Special Millage Cycle)

The Neighborhood Street Program is to be completed within the next fiscal year, as are the DWSRF projects.

- Richmond – Pine to Euclid - Complete
- Moyer – Hawthorne to Hubble - Complete
- Charles – Vassar to Rail Trail – Complete
- Rosedale – Pleasant to Grover - Complete

- Riverside – Marshall to S. State – To be completed FY2026-2027
- Austin & S. River – Grafton to Marshall – To be completed FY2026-2027
- Neighborhood Street Maintenance Projects in 2025: Eight (8) Street segments around the city received the Chip Seal treatment. Thirty-Five (35) Street segments around the city received the Crack Seal treatment. FY2026 was the first year the crew used the Wedging treatment at the intersection of Park and W Superior, and on Park from W Superior to Mechanic, and Fairlane.
 - The plan is to bring another list to the Commission this budget season.

Major Street Capital Projects

- Pine Avenue – complete street and utility reconstruction, a portion paid for by the Surface Transportation Program funds (\$380,000), which are received every six years, will be used on this project. - Complete
- Street Rehabilitation in conjunction with the DWSRF Water Main Project on W. Center, N. State, and Chatterton. To be completed FY2026-FY2027

Water Capital Projects (SRF Funding)

- Water Mains in Conjunction with the Neighborhood Street Improvement Millage projects, Austin.
- Water Main in conjunction with Major Street Project (Pine Avenue).
- Water Main in conjunction with other water main only projects of W. Center, N. State, and Chatterton.
- Control Building ongoing, moving the components
- Elevated tank repainting and cathodic protection.
- Meter replacement program is almost complete, the residential
- Private Residential Water Service Line replacement, roughly 120 remaining. Under the DWSRF this project must be completed by August 2026.

Wastewater Capital Projects

- Engineering is underway for the Waste Water Treatment Plant Upgrades – Alma received \$20.5 million in assistance. \$18 million in low-interest loans and just under 2 million in forgivable loans. Will be out for bid in May 2026.
- The Plant Headworks
- Clarifiers Replacements
- Polishing Ponds
- Lab facility updates
- Female Restroom/Locker Room Space/Bring Building to ADA Requirements
- Lift Station #16 Engineering & Construction
- Lift Station Meters
- Lift Station Roofs
- VFD Replacements
- Sanitary Sewers in Conjunction with Street Improvement Millage Projects, only Austin remaining.

Alternates:

Alternate: Outlet to the Polishing Ponds: Base is to just let the polishing pond go as is, which would rapidly deteriorate and become unsightly. Alternate would be to use the existing polishing pond as a storm water basin so that in the event of a high water event or flood, storm water/river water would be diverted into the existing pond to reduce the likelihood of the wastewater plant being flooded. This would turn the existing polishing pond into a functional wetland for wildlife.

Alternate: Demolition of the existing wastewater control building. An alternative would be to remove a portion of the existing building (to be determined), including the old digesters, the basement, and the existing lab. The Hypochlorite tank and pump rooms would be the only remaining structures, reducing future upkeep costs. If this alternative is an option, we would still have to maintain the existing building's entire roof and masonry, as well as the unused rooms that would still have asbestos liabilities.

Alternate: Alternate would be to install SCADA telemetry and controls in all of the existing lift stations so that all of the lift stations would be in communication with the wastewater plant and be capable of being controlled and monitored by the wastewater treatment plant just as the GAWA wells and booster pump stations as well as water tower all communicate. Installing SCADA allows for live monitoring of lift station flows, run times, as well as material so that the plant can operate more efficiently by ramping up pumps and chemical feeds as flows change in real time, which reduces chemical feeds as well as increases efficiencies by not being a day behind flows and ramping up or down plant operations after events happen or after flows change.

Alma Transportation

- Applying for funding to purchase 10 buses and 3 vans. Nothing would need to be needed from city funds or the transit millage. No guarantees that any of the buses or vans will be approved. The requested vehicles are based on the MDOT serviceable life.

Alma Public Library

- The library bond was completed in May 2025. In FY2026, the second-largest A/C unit was replaced for \$98,000. There are two additional units that will need to be replaced at some point. The largest unit will be in the neighborhood of 150,000, which is the next one most likely needing replacement. The other major capital item will be the roof replacement.

City Parks

(The State Marijuana Revenue Sharing \$56,000 & MDNR TF - \$460,000 Project)

- Riverside Park Rehab – Overlook Deck, Pavilion, site furnishings, walking connections (Grant-\$340,400 - \$119,600 local match). Design to be completed this fiscal year, with construction in fiscal year 2027.
- For the last two fiscal years, the Commission has dedicated the Marijuana Revenue Sharing to park improvements.
- Cameras have been installed in four of our parks: Euclid, Wright, Riverside, and Conservation. Discussions to add cameras in other City Parks.
- Conservation Park driving entrance and Parking Lot at Euclid Ballfields are in need of repair. One or both projects could be submitted under the State of Michigan Passport Program due April 1, 2026.

Park Recreation

- The pilot recreation program has been paid for by the Community Center Grant from the State of Michigan, which will be expiring on September 30, 2026. What are the Commission's thoughts about the program? The previous discussion focused on programming carried out at the county level for potential users and on spreading the costs.
 - The grant funding from the Community Center Grant has been utilized by the Library for their programming.

City Hall – Information Technology

- No substantial replacements are needed within the next Fiscal Year. The cabling project will be completed within the current fiscal year.
- Evaluating our current IT services and reviewing our options for IT services.

Public Safety

- One patrol car for replacement - \$75,000 purchase and equipping the vehicle.

Sidewalks

- Sidewalk Replacement Program continuation, the city is required to have a sidewalk replacement program, which limits the city's liability for tripping hazards.
- In the fall of 2025, the sidewalk replacement contract was extended with the contractor to continue working within the program boundaries, which are from Pine Avenue east towards Euclid Avenue and from Liberty Street north, starting in the spring of 2026.
- The plan is to continue the program in FY2027, including Euclid, then east toward Bridge Avenue to Ferris, Hannah, Grace, and Francisco. This will include a new sidewalk along Bridge Ave, connecting the apartments (approx. 350ft.) on Bridge Ave.

Downtown

- Mill and reshape Parking Lots #1 and #6, estimated at \$600,000, would like to plan the construction for the FY2026, spring 2027 construction season. Set meetings with downtown, and discuss the costs of the project and the need to develop a maintenance millage for the downtown public assets.
- Downtown LED Street Light Replacement - Change out an additional eight (8) of the 1980s style with the black historic lights.
- The Downtown tree project - in phase III removal and replacement. This is the final phase of the tree project. The open tree boxes will need to be filled in, staff are looking at concreting those open spaces.

Cemetery

- 2027 Survey for the Cemetery Plot Expansion/Layout. Implement a rate study to increase cemetery fees, or at least raise the perpetual maintenance fee, for the new fiscal year.

Special Millages

Neighborhood Street Millage (3.4713 – Mills - over six years) - \$781,303 (fourth year under new millage rate)

Library Operating (.9874 Mills) - \$222,239

Alma Transportation (.8000 Mills) - \$180,060

Alma DDA (1.9467 Mills only on the DDA District) - \$30,000

Water/Sewer Rates

The city is in year four of the Commission-approved five-year utility rate plan to increase fees to cover the needed improvements and stabilize the water and wastewater systems. The five-year plan also included the Solid Waste (trash, recycling, large item pickup), and Yard Waste (curb side yard waste pickup April – October, Leaf pick-up). This year, there are no increases to the Ready to Serve (RTS) fee in the water or the wastewater funds. Staff have no plans to relocate rates with the funds as we did last year.

River Issues

- Dam Feasibility Study is underway.

Planning for the Future

Housing Issue

Former Middle School Lot – Utilities, roads, etc.

Gemstone Phase II – When do we look at a build out.

Housing Commission – The board is discussing creating a non-profit to review other housing opportunities outside of HUD.

Alma Public School – Building Trades Program within the Alma High School CTE Program.

Hoffman Road Property

The MEDC funding for the Development Cost Assessment is in place, and the Assessment will be completed in May of 2026.

Master Plan

The Master Plan will be finalized in February. Depending on funding for the MEDC, the thought was to complete some strategic planning (Housing, Riverfront/State Street Plaza, Northtown and Downtown).

Acronyms

LCSA - The Local Community Stabilization Authority (LCSA) in Michigan, which manages the reimbursement of lost personal property tax revenue to local governments, has seen steady growth in

its annual revenue. The LCSA collects the Local Community Stabilization Share (LCSS) of the state's 6% use tax to fund these reimbursements.

CVTRS - City, Village, and Township Revenue Sharing, a Michigan Department of Treasury program that distributes state sales tax revenue to eligible local governments to fund public services. It requires municipalities to meet specific accountability and transparency guidelines, such as submitting a debt service report, budget report, and performance dashboard, to receive full funding.