



City of Alma

FY 2026-27 Budget Presentation



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<https://myalma.org/finance-and-treasury.php>

City of Alma Funds



Approved by City Commission:

- Fund 101 – General Fund (Department Level)
- Fund 202 – Major Streets Fund
- Fund 203 – Local Streets Fund
- Fund 204 – Street Improvement Millage Fund
- Fund 208 – Parks & Recreation Fund
- Fund 248 – Downtown Development Authority Fund
- Fund 510 – Alma Public Library Fund
- Fund 580 – State Street Plaza Fund
- Fund 588 – Transportation Fund
- Fund 590 – Wastewater Fund
- Fund 591 – Water Distribution Fund
- Fund 596 – Refuse Disposal Fund

Not Approved by City Commission:

- Fund 103 – Gratiot Area Water Authority (Passthrough)
- Fund 106 – Alma Housing Commission (Passthrough)
- Fund 151 – Cemetery Trust Fund
- Fund 152 – Library Endowment Fund
- Fund 408 – Parks and Park Improvement Fund (Passthrough)
- Fund 597 – Rural Urban Fire Board Fund (Approved by separate board)
- Fund 598 – Alma District Rescue Fund (Approved by separate board)
- Fund 661 – Municipal Services/Motor Pool Fund (Passthrough)
- Fund 702 – Public Safety EE Benefit Fund
- Fund 703 – Tax Collection Fund

City of Alma Millages



Local Millage Rates

- General Operating – 14.2244
- Voted Street millage – 3.5000
- Transportation – 0.8000
- DDA – 1.9467
- Library Operating – 0.9874

General Fund Revenue

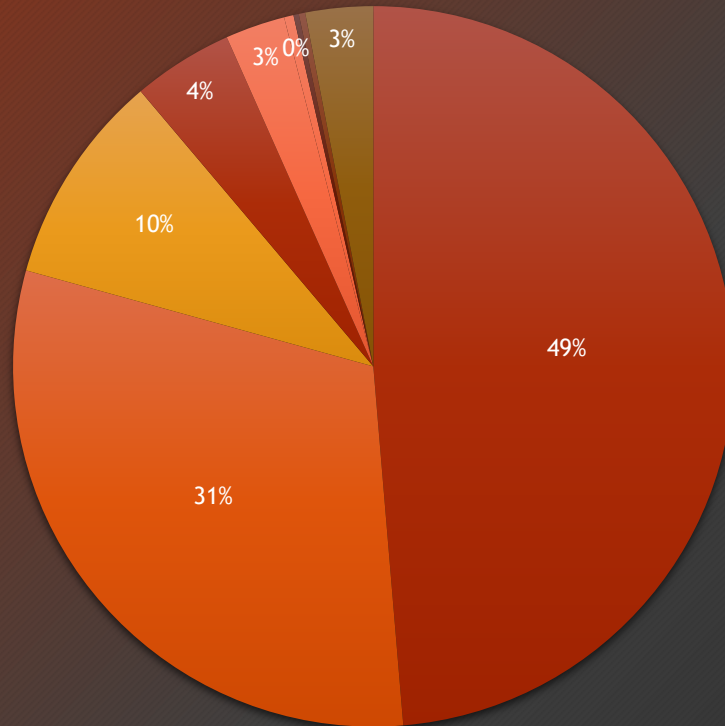


- Taxes
- Intergovernmental Revenue
- Licenses and Permits
- Investment Income
- Rents
- Fines and Forfeitures
- Other Financing Sources
- Other Revenue
- Internal Service Fees

Total Projected General Fund Revenue



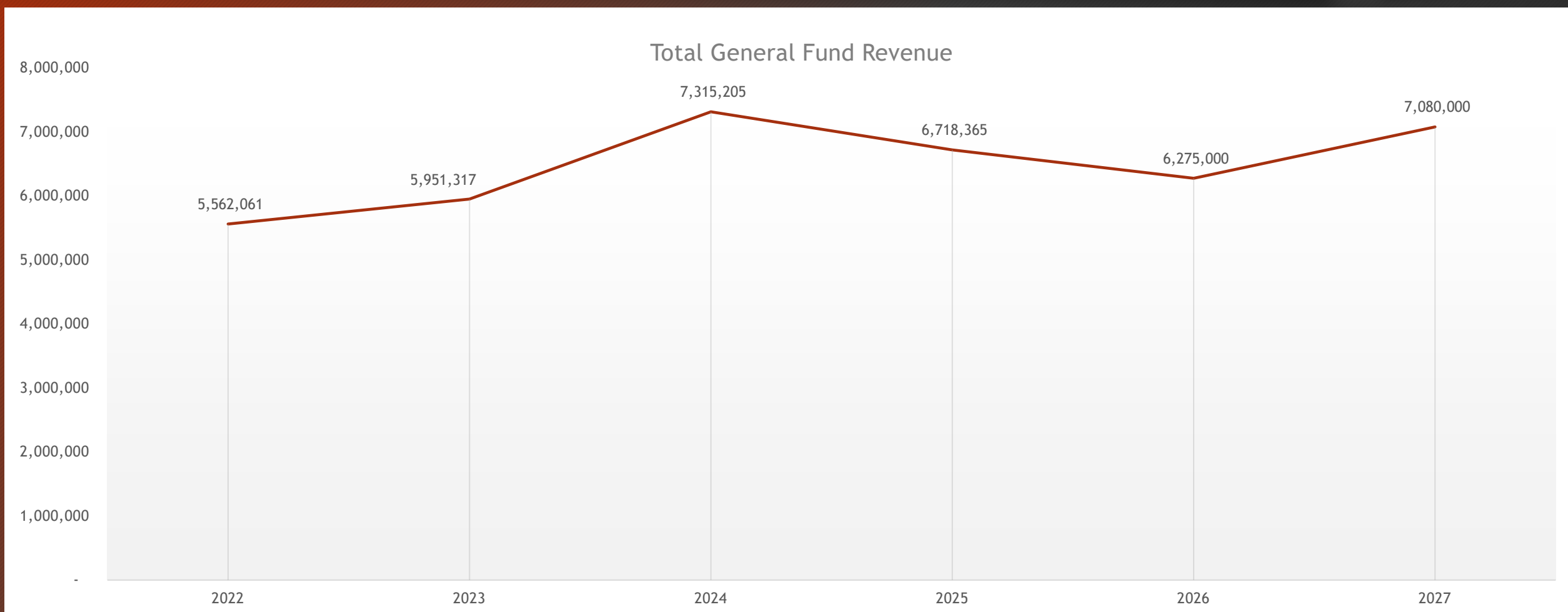
General Fund Revenue Categories as a % of Total Revenue



Taxes	\$3,446,000
Intergovernmental Revenue	\$2,168,000
Internal Service Charges	\$675,000
Licenses and Permits	\$319,000
Investment Income	\$190,000
Rents	\$30,000
Fines and Forfeitures	\$17,000
Other Financing Sources	\$20,500
Other Revenue	<u>\$214,500</u>
Total General Fund Revenue	\$7,080,000

- Taxes
- Intergovernmental Revenue
- Internal Service Charges
- Licenses and Permits
- Investment Income
- Rents
- Fines and Forfeitures
- Other Financing Sources
- Other Revenue

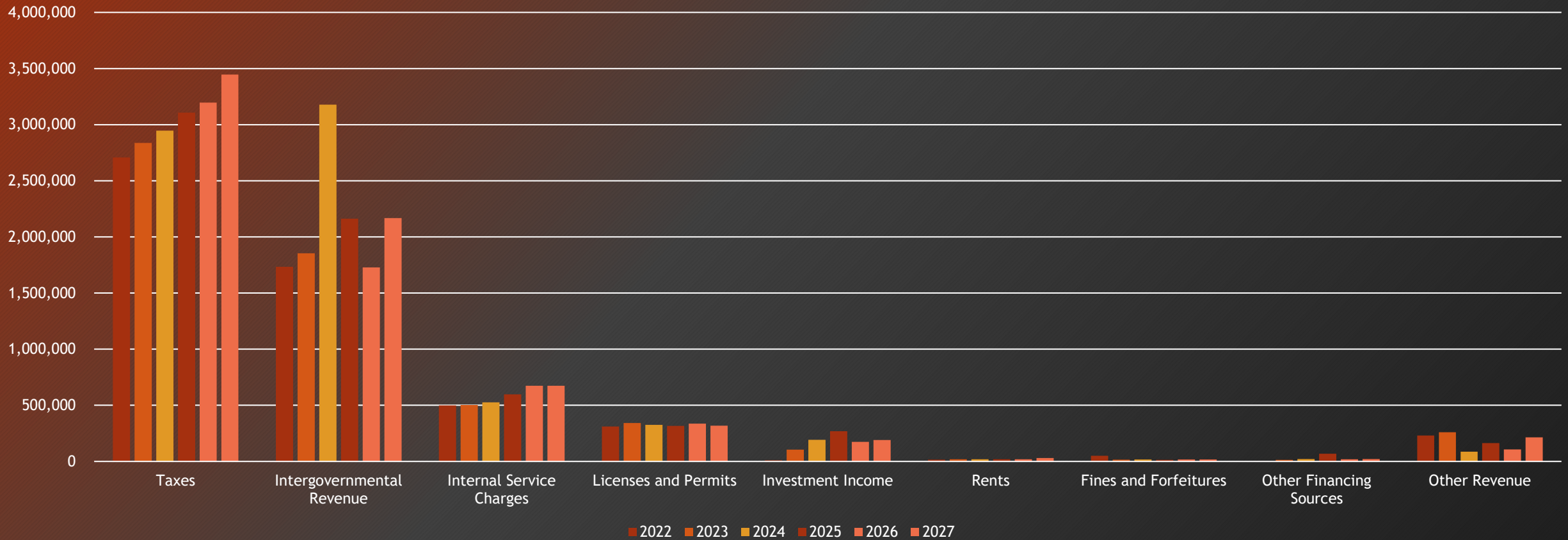
General Fund Revenue Trends



General Fund Revenue Trends



Revenue Trends by Category



General Fund Revenue Trends



- General Fund Revenue has increased 43% over the past ten years, an average of 4.3% annually, with spikes in recent years.
- Property Tax Revenue, on average, has increased 2.98% over the past 10 years.
- We anticipate seeing a decrease in revenues from intergovernmental revenue and interest revenue as the State has indicated through budget discussions that revenue sharing is expected to decrease and grants are going to become less available. In addition, we continue to see a fall in interest rates from their peak in FY's 2024 and 2025.
- Finding ways to increasing the tax base, whether through business or housing development, continues to be the most sustainable model for future revenue growth.

General Fund Departments



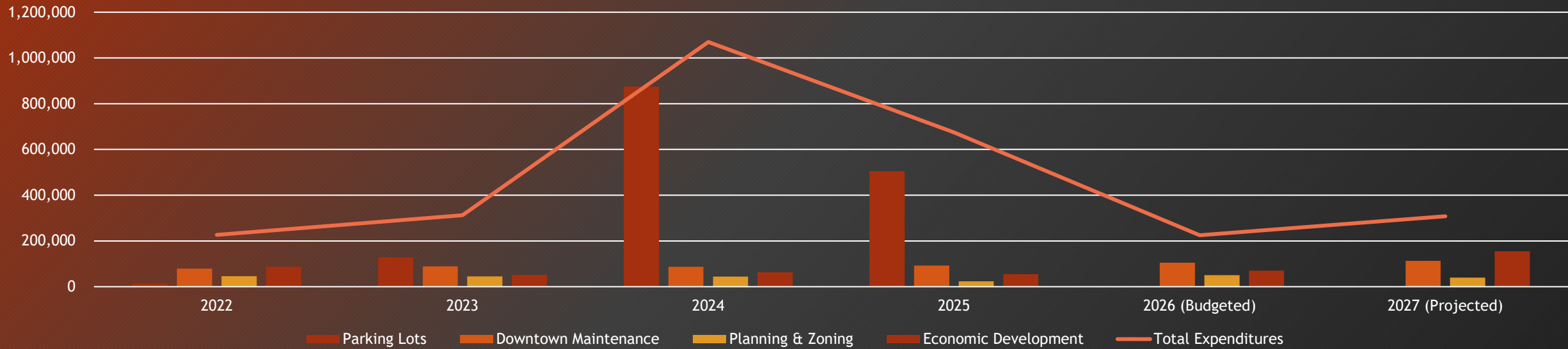
- **Community Development**
- **Community Safety**
- **Executive Administration**
- **Fiscal Services**
- **Property Maintenance**
- **Recreation and Culture**
- **Transportation**



Community Development



Community Development

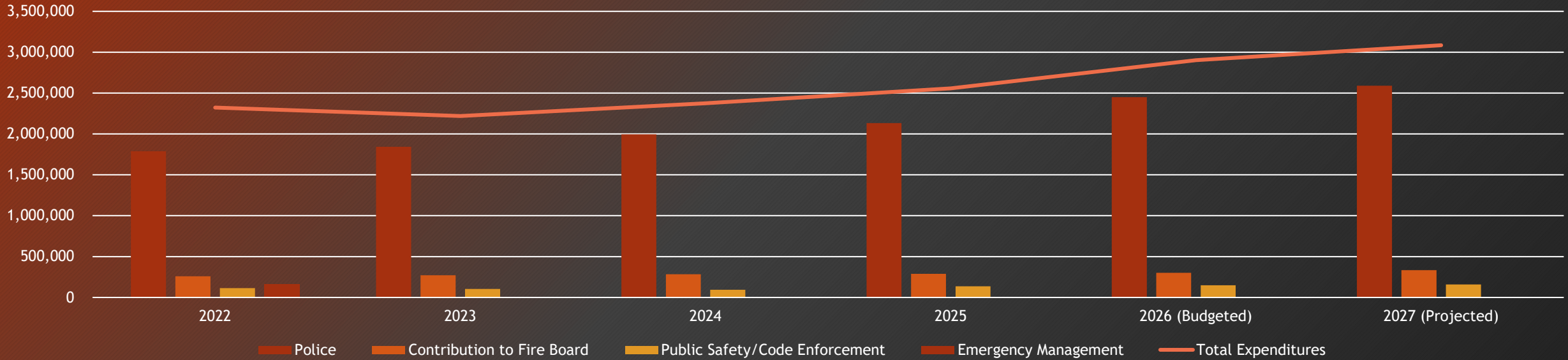


Community Development	2022	2023	2024	2025	2026 (Budgeted)	2027 (Projected)
Parking Lots	13,893	128,107	875,321	504,803	0	0
Downtown Maintenance	79,312	88,716	87,542	92,179	105,000	113,000
Planning & Zoning	45,897	44,879	44,272	23,289	50,000	40,000
Economic Development	87,225	51,020	62,701	54,531	70,000	155,000
Total Expenditures	226,327	312,722	1,069,836	674,802	225,000	308,000

Community Safety



Community Safety

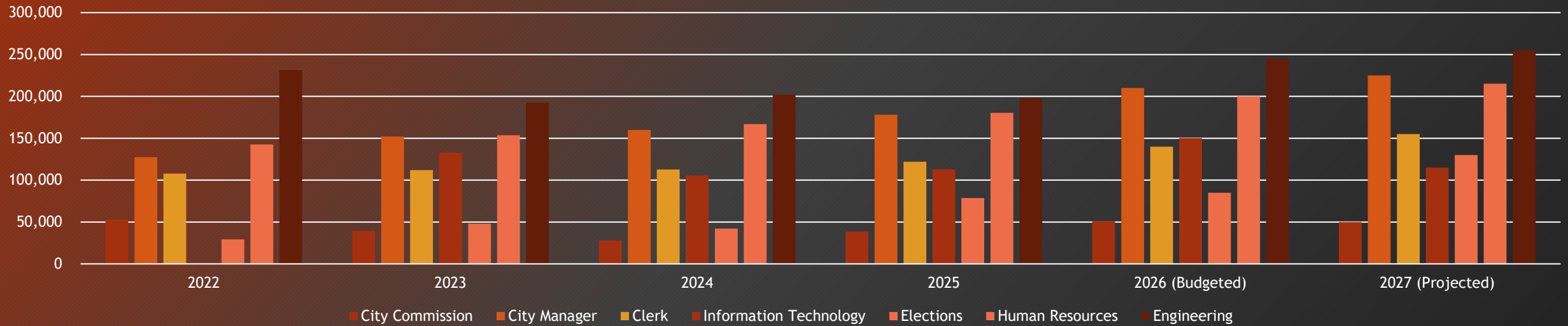


Community Safety	2022	2023	2024	2025	2026 (Budgeted)	2027 (Projected)
Police	1,788,756	1,843,772	1,994,521	2,132,025	2,450,000	2,590,000
Contribution to Fire Board	258,000	270,826	284,853	287,868	302,000	335,000
Public Safety/Code Enforcement	114,058	104,799	95,214	137,147	150,000	160,000
Emergency Management	162,067	0	0	0	0	0
Total Expenditures	2,322,881	2,219,397	2,374,588	2,557,040	2,902,000	3,085,000

Executive Administration



Executive Administration

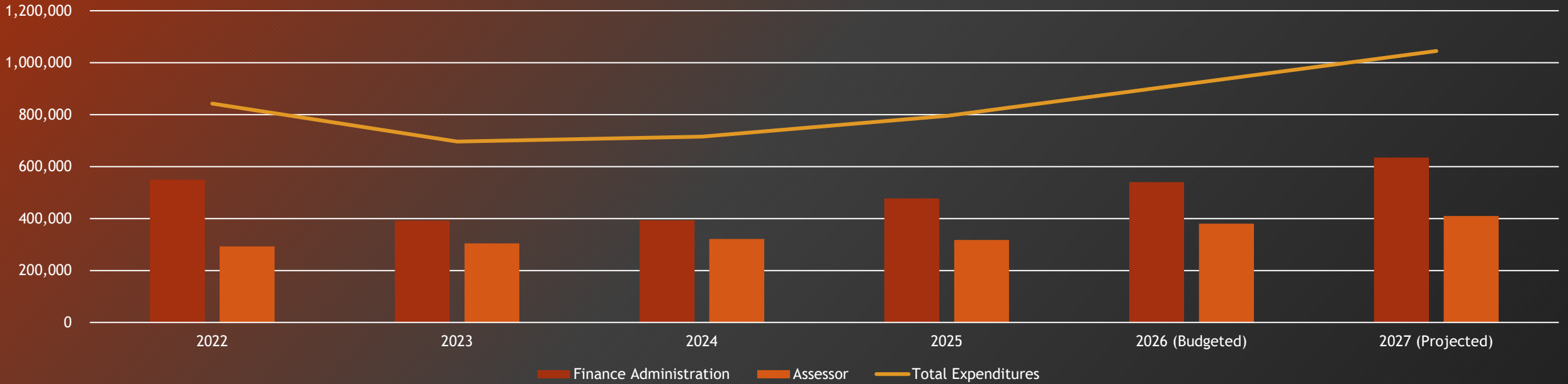


Executive Administration	2022	2023	2024	2025	2026 (Budgeted)	2027 (Projected)
City Commission	52,812	39,414	28,054	38,566	51,000	50,000
City Manager	127,312	152,097	159,921	178,075	210,000	225,000
Clerk	107,896	111,998	112,598	121,891	140,000	155,000
Information Technology	0	132,864	105,286	112,893	150,150	115,000
Elections	29,368	47,959	42,177	78,721	85,000	130,000
Human Resources	142,718	153,456	166,949	180,304	200,000	215,000
Engineering	231,345	192,475	201,812	197,953	245,000	255,000
Total Expenditures	691,451	830,263	816,797	908,403	1,081,150	1,145,000

Fiscal Services

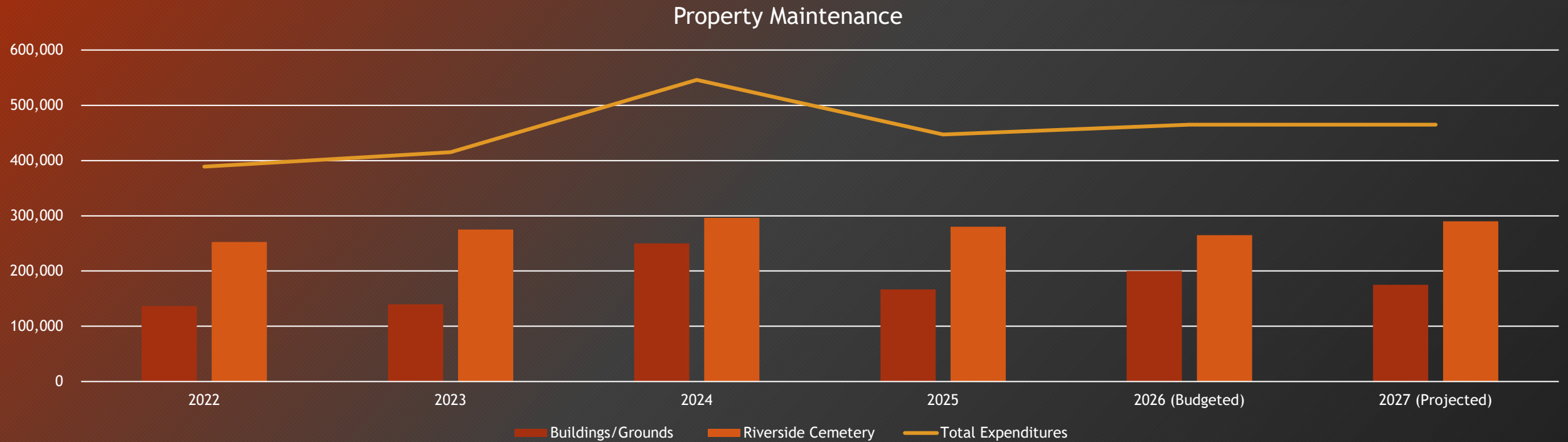


Fiscal Services



Fiscal Services	2022	2023	2024	2025	2026 (Budgeted)	2027 (Projected)
Finance Administration	549,620	391,772	393,719	477,582	540,000	635,000
Assessor	292,883	304,655	321,727	317,588	380,000	410,000
Total Expenditures	842,503	696,427	715,446	795,170	920,000	1,045,000

Property Maintenance

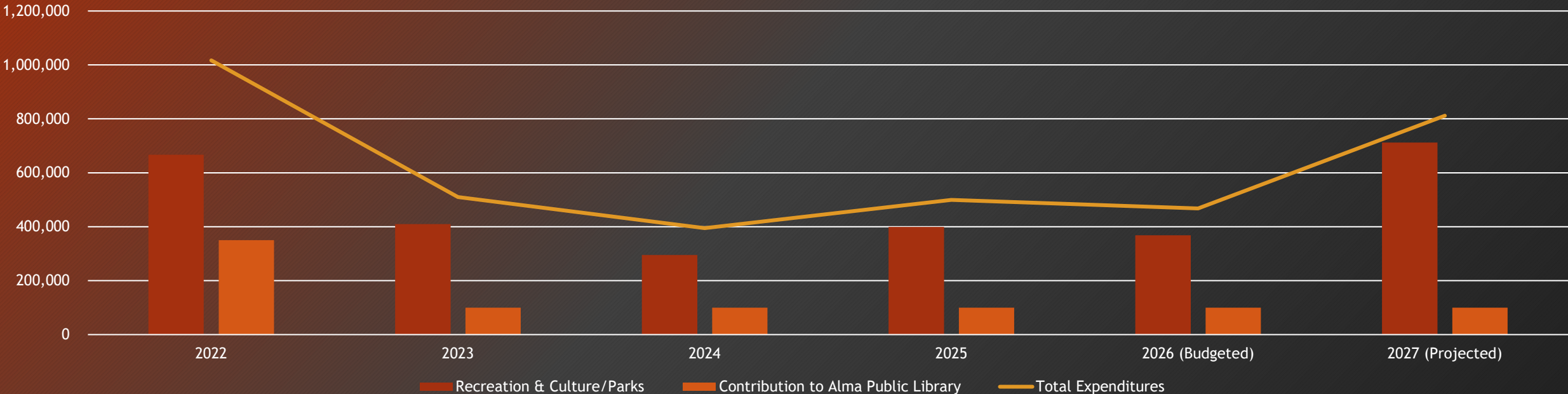


Property Maintenance	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 (Budgeted)</u>	<u>2027 (Projected)</u>
Buildings/Grounds	136,551	139,962	249,839	166,893	200,000	175,000
Riverside Cemetery	<u>252,408</u>	<u>275,144</u>	<u>296,158</u>	<u>280,329</u>	<u>265,000</u>	<u>290,000</u>
Total Expenditures	388,959	415,106	545,997	447,222	465,000	465,000

Recreation and Culture



Recreation & Culture/Parks

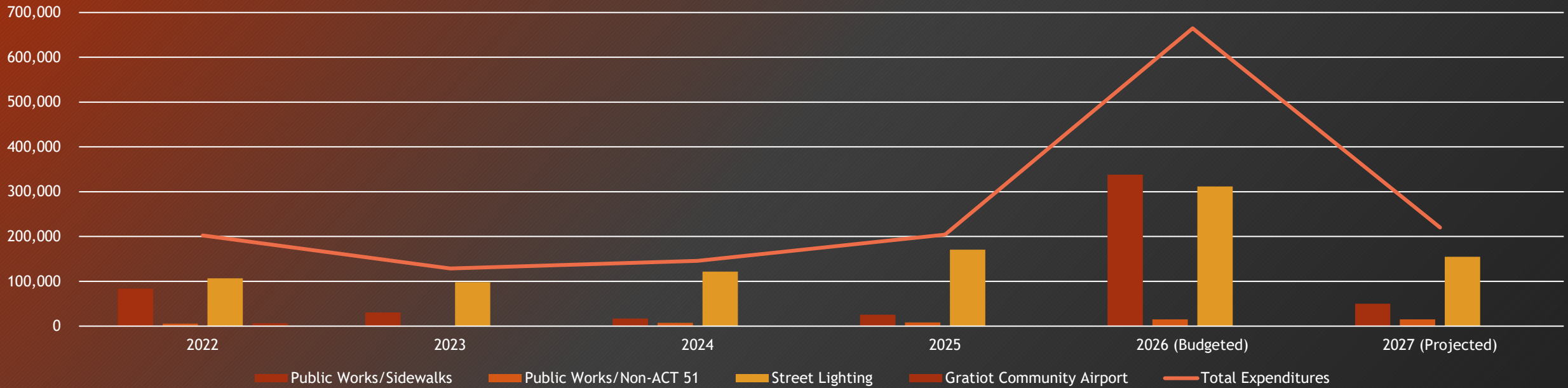


	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 (Budgeted)</u>	<u>2027 (Projected)</u>
Recreation & Culture/Parks	666,978	409,795	294,794	399,408	368,200	712,000
Contribution to Alma Public Library	<u>350,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total Expenditures	1,016,978	509,795	394,794	499,408	468,200	812,000

Transportation



Transportation



Transportation	2022	2023	2024	2025	2026 (Budgeted)	2027 (Projected)
Public Works/Sidewalks	83,430	30,487	16,814	25,675	338,000	50,000
Public Works/Non-ACT 51	5,785	262	7,339	8,083	15,000	15,000
Street Lighting	106,489	97,908	121,614	170,446	311,800	155,000
Gratiot Community Airport	6,500	0	0	0	0	0
Total Expenditures	202,204	128,657	145,767	204,204	664,800	220,000



General Fund Capital Projects Summary

• Election Equipment	\$45,000
• Patrol Vehicle and Upfit	\$75,000
• Sidewalk Replacement Program	\$40,000
• Street Light Replacements	\$90,000
• Riverside Park Overlook (Partial Grant Funded)	\$360,000
• Additional Parks Capital Improvements	<u>\$60,000</u>
• Total Capital Projects Cost	\$670,000

Total General Fund Budget

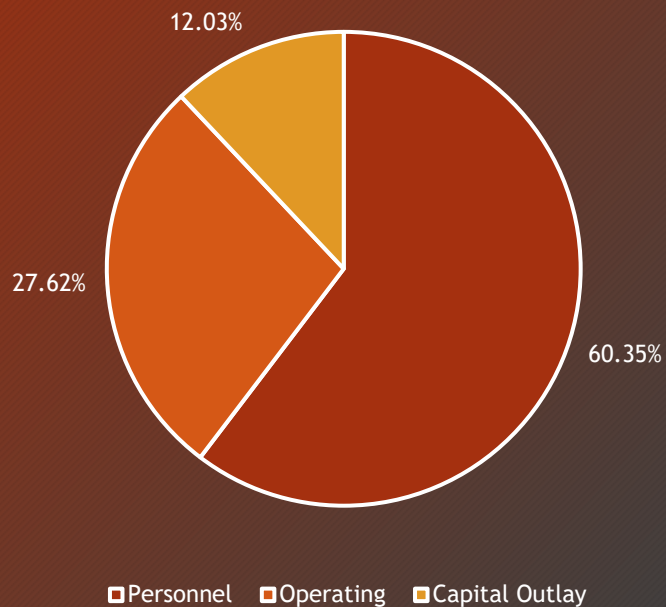


Fund 101 - General Fund	2027 (Budgeted)
Revenue	\$7,080,000
Fund 101 - General Fund	2027 (Budgeted)
Personnel	\$4,550,950
Non-Personnel (Operating)	\$1,859,050
Capital Outlay	<u>\$670,000</u>
Total Expenditures	\$7,080,000
Required Reserves (Fund Balance)	\$0

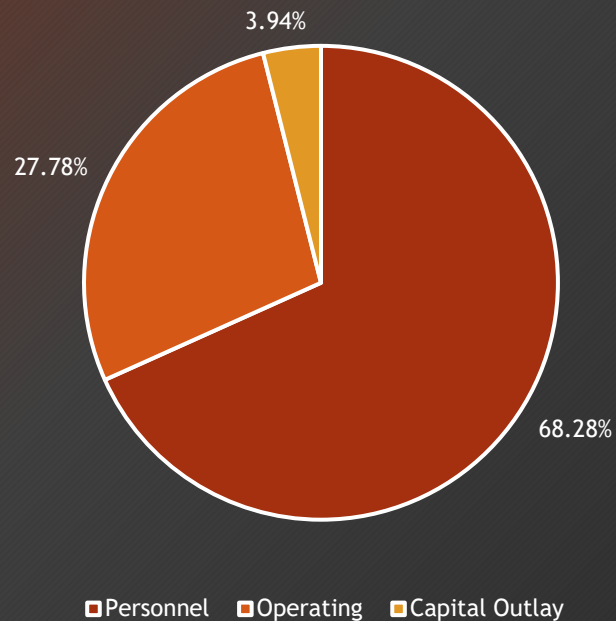


Expenditures Breakdown by Type

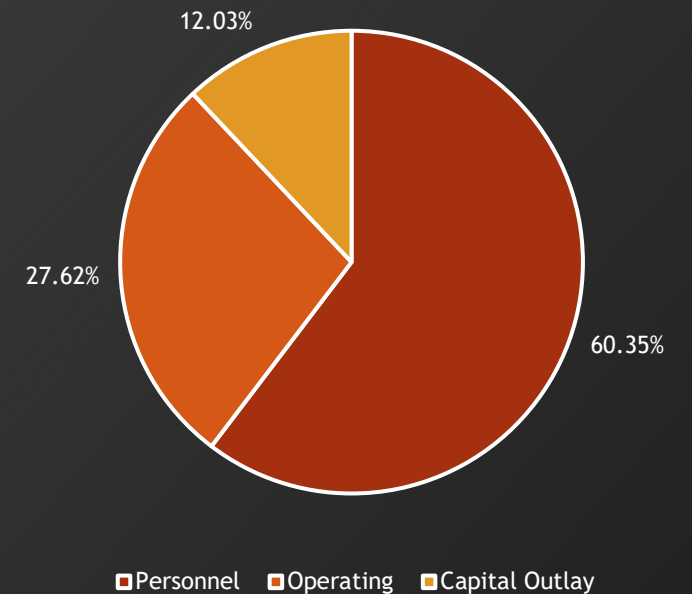
General Fund Expenditures by Type:
2025



General Fund Expenditures by Type:
2026



General Fund Expenditures by Type:
2027



Other Governmental Funds



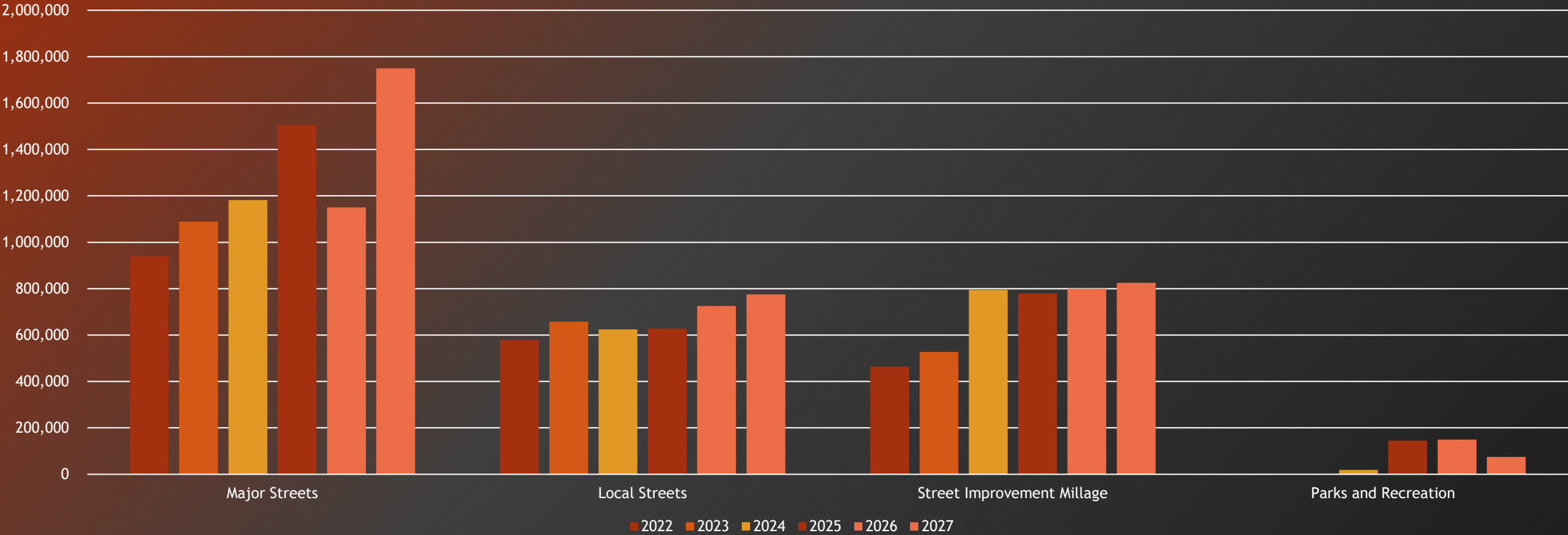
- Fund 202 – Major Streets
- Fund 203 – Local Streets
- Fund 204 – Street Improvement Millage
- Fund 208 – Parks and Recreation



Revenue Trends – Other Governmental Funds



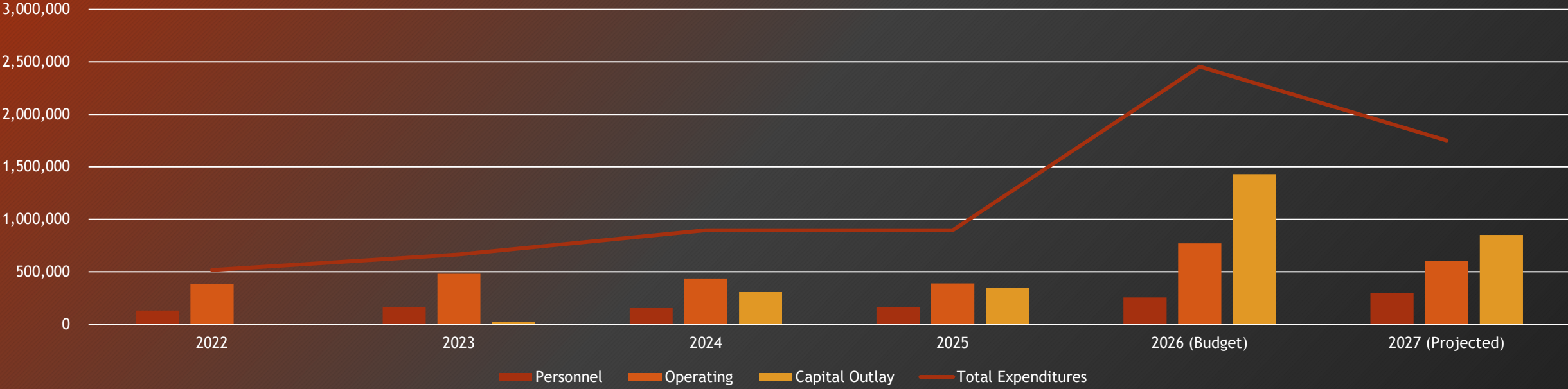
Revenue Trends - Other Governmental Funds



Major Streets



Major Streets

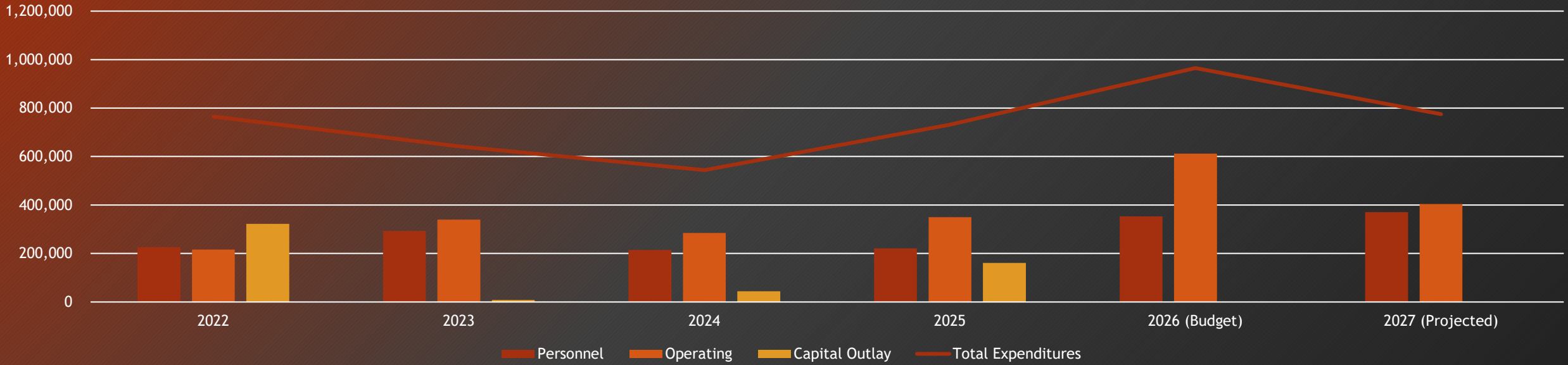


202- Major Streets	2022	2023	2024	2025	2026 (Budget)	2027 (Projected)
Personnel	129,266	164,627	153,545	162,705	255,000	297,000
Operating	380,241	479,515	435,923	387,314	770,000	603,000
Capital Outlay	6,749	20,596	306,159	345,608	1,430,000.00	850,000.00
Total Expenditures	516,256	664,738	895,627	895,627	2,455,000	1,750,000

Local Streets



Local Street

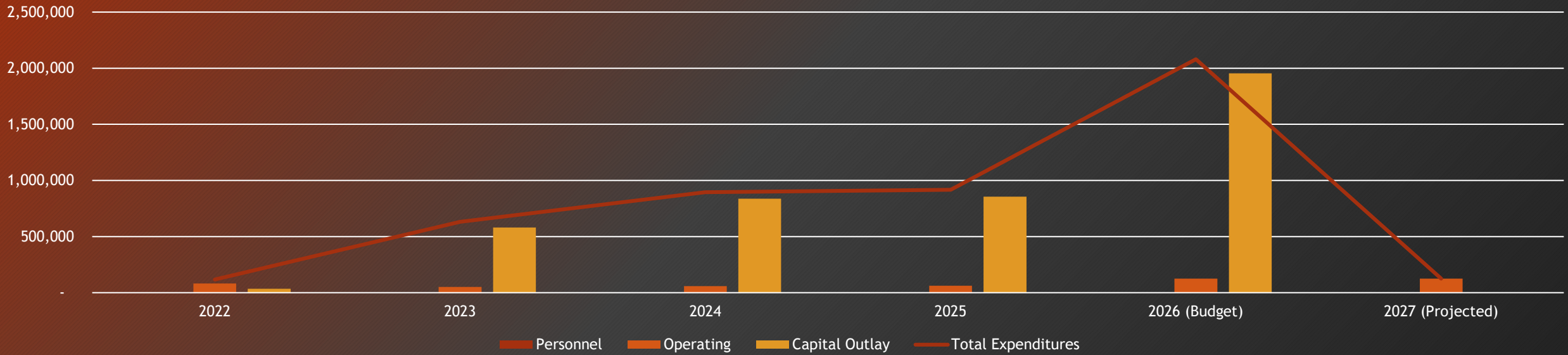


203- Local Streets	2022	2023	2024	2025	2026 (Budget)	2027 (Projected)
Personnel	226,116	293,274	214,899	221,094	353,000	371,000
Operating	216,546	340,048	285,049	349,619	612,000	404,000
Capital Outlay	322,038	8,621	44,086	160,926.00	-	-
Total Expenditures	764,700	641,943	544,034	731,639	965,000	775,000

Street Improvement Millage



Street Improvement Millage

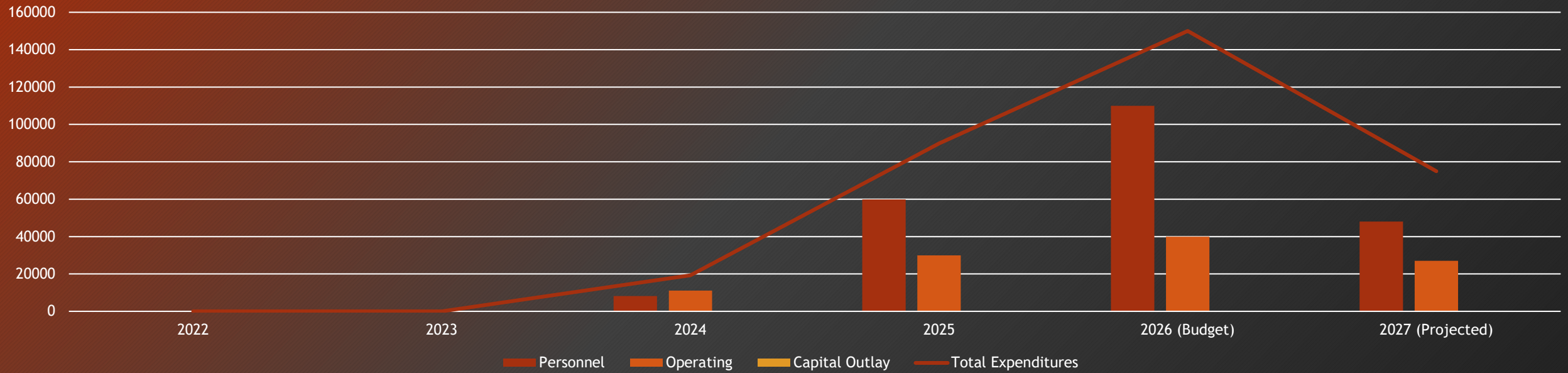


204- Street Improvement Millage	2022	2023	2024	2025	2026 (Budget)	2027 (Projected)
Personnel	-	-	-	-	-	-
Operating	82,545	51,519	57,807	61,429	125,000	125,000
Capital Outlay	34,760	580,658	837,424	855,282	1,955,000.00	-
Total Expenditures	117,305	632,177	895,231	916,711	2,080,000	125,000

Parks and Recreation



Parks and Recreation

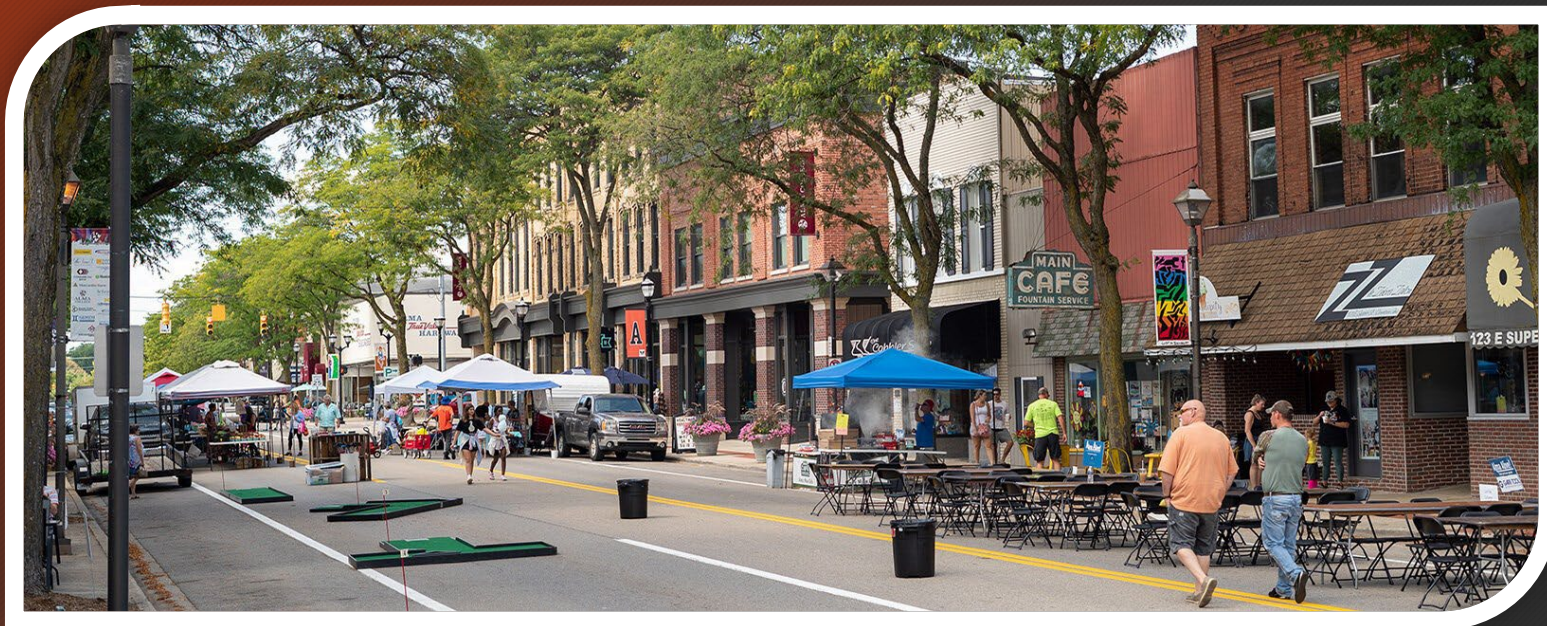


208 - Parks and Recreation	2022	2023	2024	2025	2026 (Budget)	2027 (Projected)
Personnel			8,183	59,874	110,000	48,000
Operating	-	-	11,041	29,982	40,000	27,000
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	19,224	89,856	150,000	75,000

Component Units



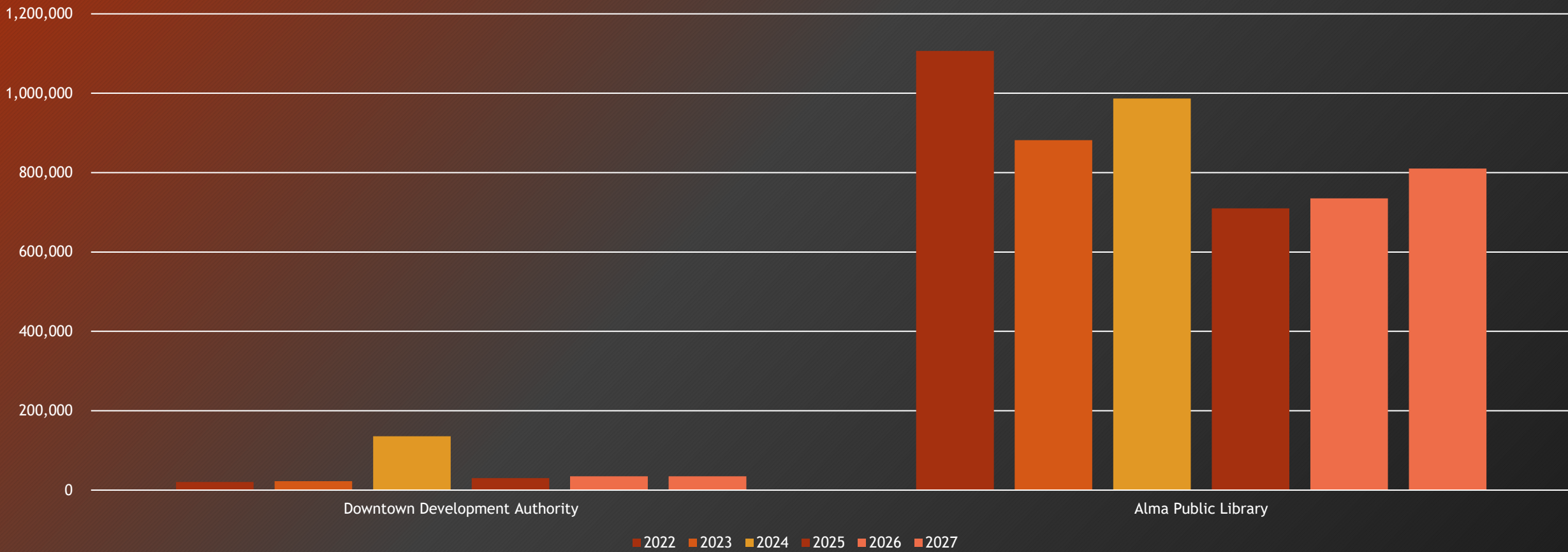
- Fund 248 – Downtown Development Authority (DDA)
- Fund 510 – Alma Public Library



Revenue Trends – Component Units



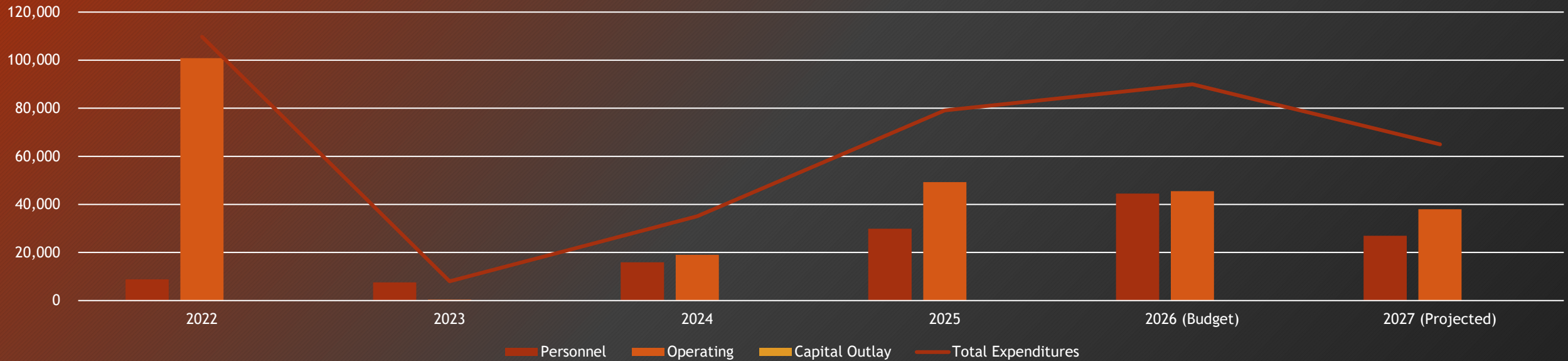
Revenue Trends - Component Units



Downtown Development Authority (DDA)



Downtown Development Authority

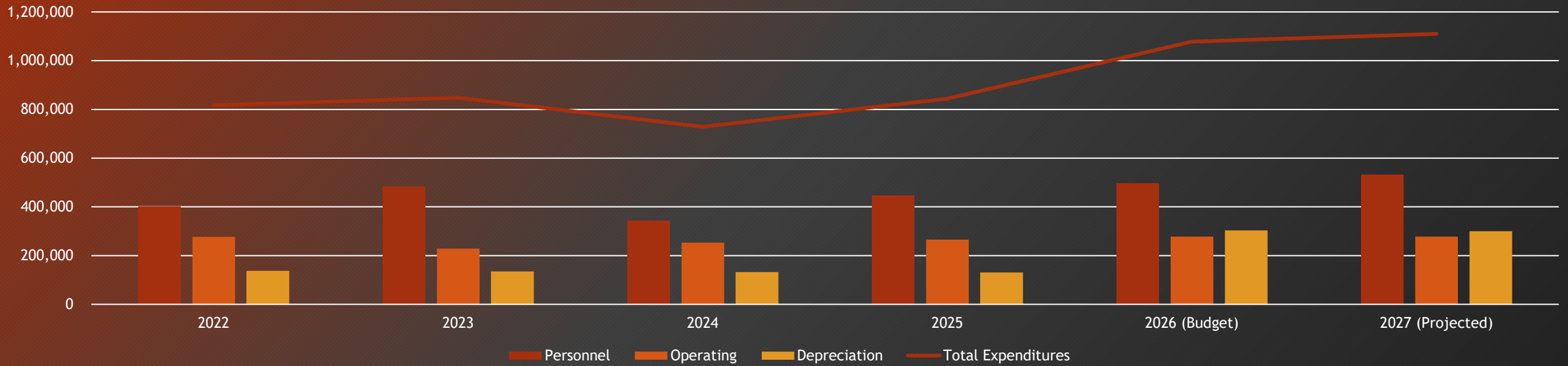


248 - DDA	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 (Budget)</u>	<u>2027 (Projected)</u>
Personnel	8,867	7,607	15,969	29,893	44,500	27,000
Operating	100,877	411	19,061	49,244	45,500	38,000
Capital Outlay	-	-	-	-	-	-
Total Expenditures	109,744	8,018	35,030	79,137	90,000	65,000

Alma Public Library



Alma Public Library



510 - Alma Public Library	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 (Budget)</u>	<u>2027 (Projected)</u>
Personnel	402,056	483,984	343,602	446,959	497,500	532,250
Operating	277,209	228,741	253,014	265,777	277,500	277,750
Depreciation	<u>137,437</u>	<u>135,343</u>	<u>132,128</u>	<u>130,985</u>	<u>303,500</u>	<u>300,000</u>
Total Expenditures	816,702	848,068	728,744	843,721	1,078,500	1,110,000

Enterprise Funds



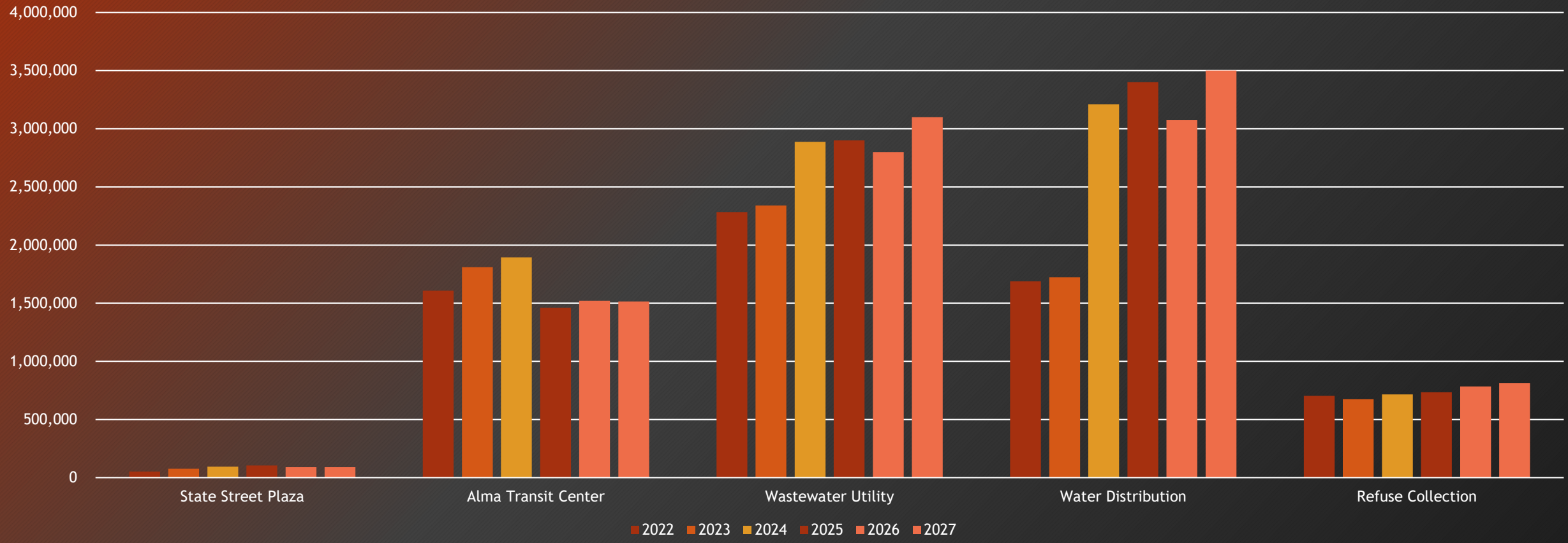
- Fund 580 – State Street Plaza
- Fund 588 – Alma Transit Center
- Fund 590 – Wastewater
- Fund 591 – Water Distribution
- Fund 596 – Refuse Collection



Revenue Trends – Enterprise Funds



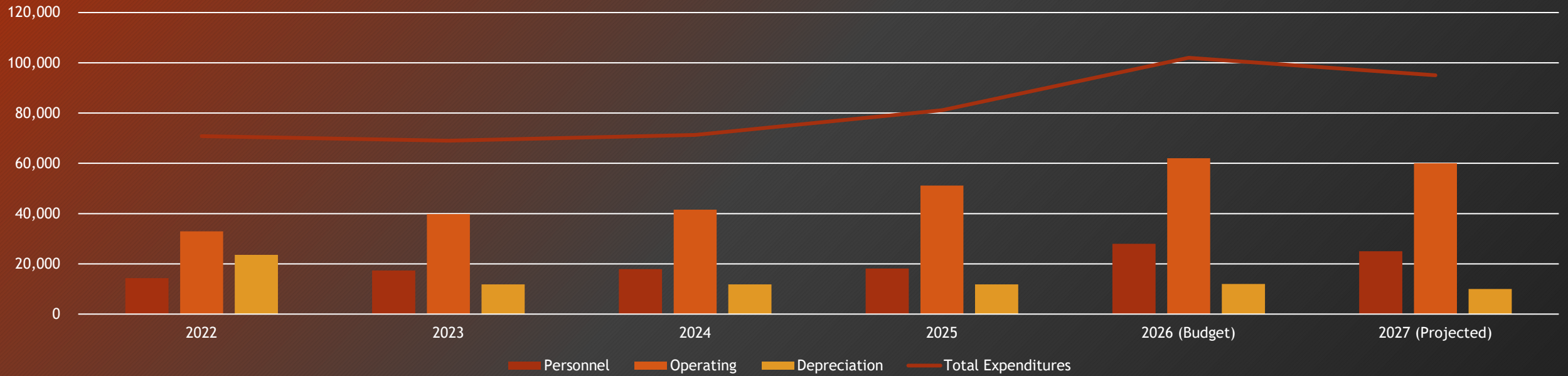
Revenue Trends - Enterprise Funds



State Street Plaza



State Street Plaza

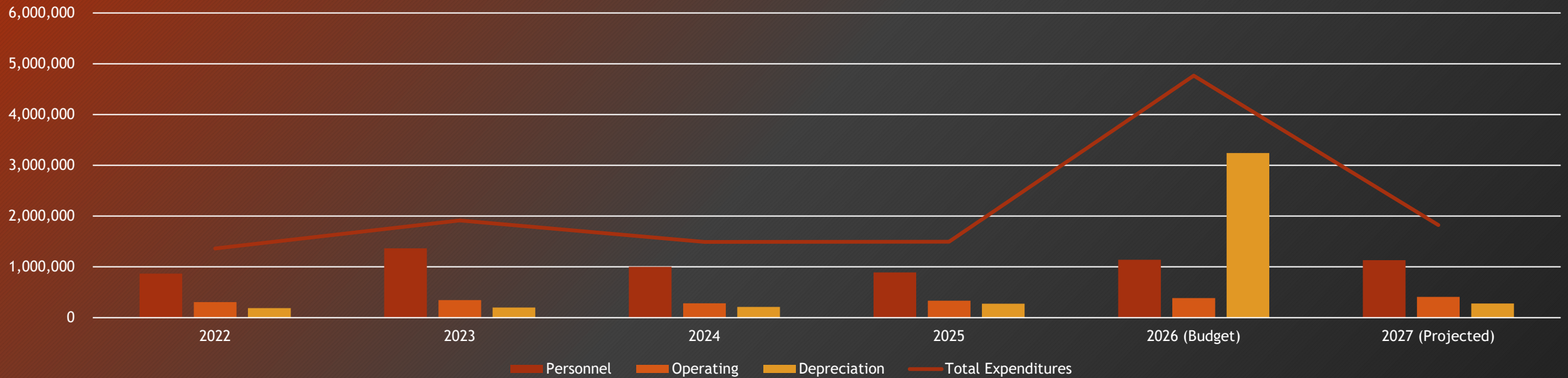


580 - State Street Plaza	2022	2023	2024	2025	2026 (Budget)	2027 (Projected)
Personnel	14,294	17,381	17,878	18,158	28,000	25,000
Operating	32,925	39,823	41,597	51,172	62,000	60,000
Depreciation	23,575	11,805	11,806	11,805	12,000	10,000
Total Expenditures	70,794	69,009	71,281	81,135	102,000	95,000

Transportation



Alma Transit Center

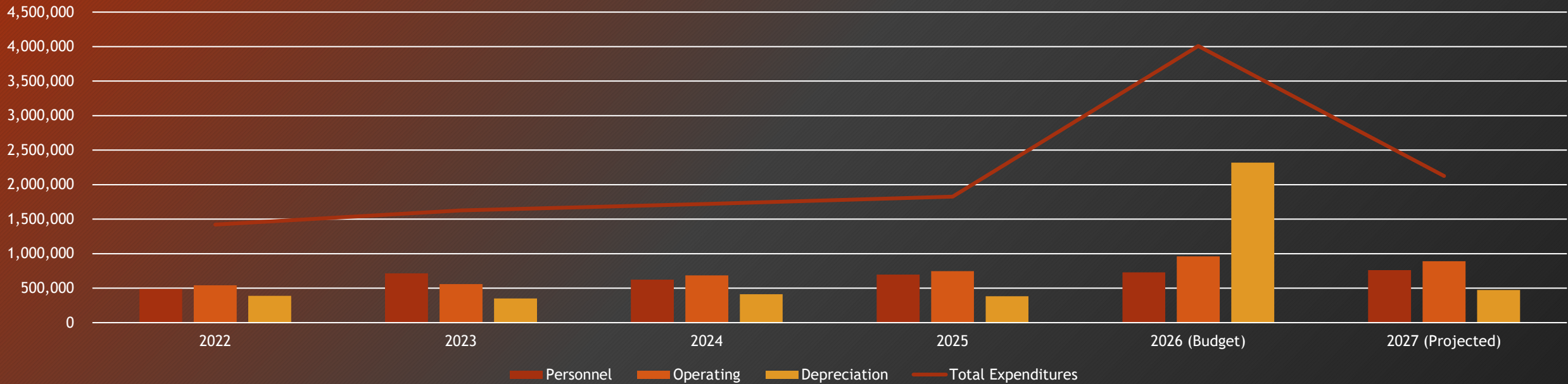


588 - Alma Transit Center	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 (Budget)</u>	<u>2027 (Projected)</u>
Personnel	868,753	1,365,518	999,890	889,624	1,140,000	1,134,000
Operating	307,172	347,648	282,521	334,530	385,000	411,000
Depreciation	<u>186,313</u>	<u>201,842</u>	<u>211,086</u>	<u>273,130</u>	<u>3,240,900</u>	<u>280,000</u>
Total Expenditures	1,362,238	1,915,008	1,493,497	1,497,284	4,765,900	1,825,000

Wastewater



Wastewater Utility

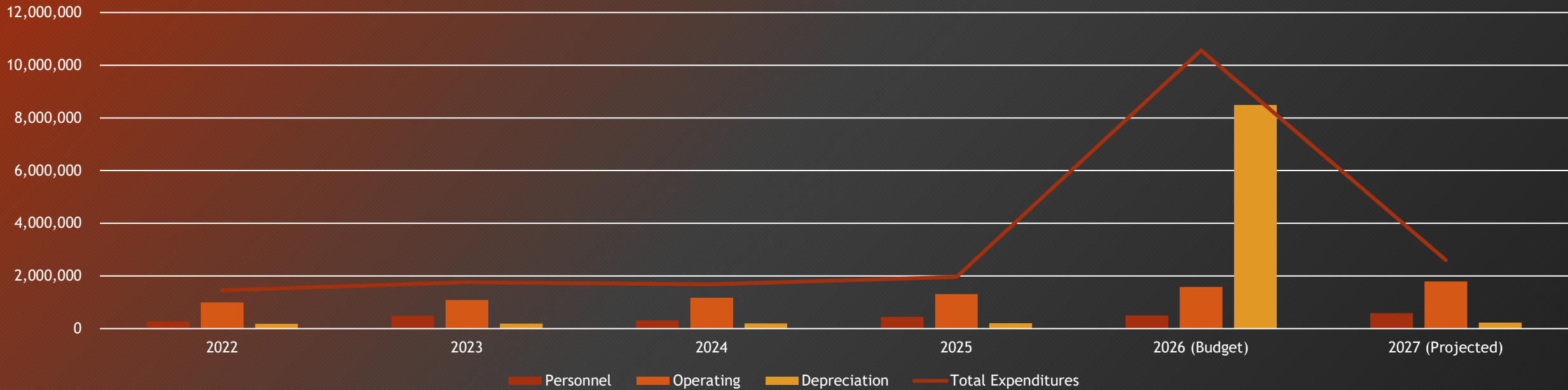


590 - Wastewater Utility	2022	2023	2024	2025	2026 (Budget)	2027 (Projected)
Personnel	489,607	715,785	623,039	697,794	730,000	760,500
Operating	542,277	559,288	685,616	745,382	960,000	889,500
Depreciation	389,297	352,100	412,331	382,728	2,319,000	475,000
Total Expenditures	1,421,181	1,627,173	1,720,986	1,825,904	4,009,000	2,125,000

Water Distribution



Water Distribution

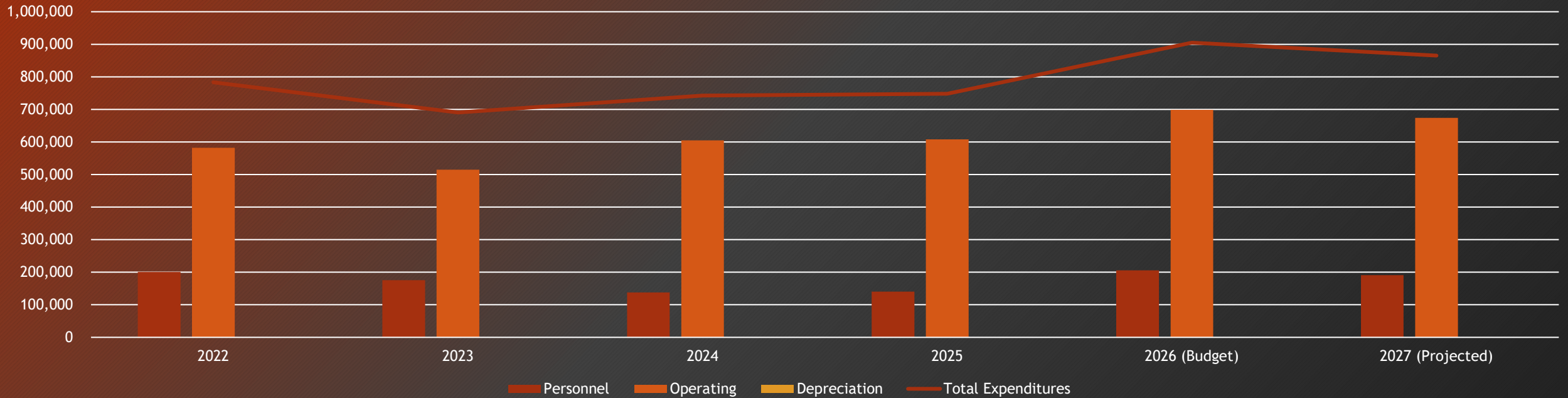


591 - Water Distribution	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 (Budget)</u>	<u>2027 (Projected)</u>
Personnel	274,660	488,039	314,438	442,297	496,000	583,000
Operating	994,992	1,084,797	1,169,707	1,314,183	1,578,000	1,792,000
Depreciation	<u>185,617</u>	<u>188,413</u>	<u>195,654</u>	<u>201,659</u>	<u>8,491,400</u>	<u>225,000</u>
Total Expenditures	1,455,269	1,761,249	1,679,799	1,958,139	10,565,400	2,600,000

Refuse Collection



Refuse Collection



596 - Refuse Collection	2022	2023	2024	2025	2026 (Budget)	2027 (Projected)
Personnel	201,041	175,326	137,941	140,457	206,000	191,000
Operating	581,800	515,143	604,679	607,736	699,000	674,000
Depreciation	238	-	-	-	-	-
Total Expenditures	783,079	690,469	742,620	748,193	905,000	865,000

Internal Service Funds



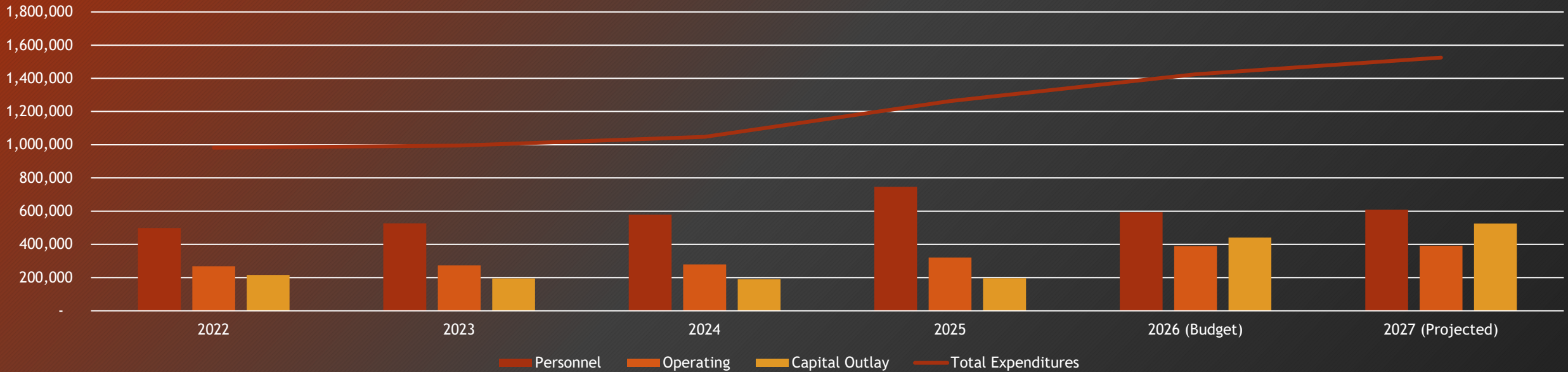
- **Fund 661 – Public Works (Motor Pool)**



Internal Service Funds



Public Works



661 - Public Works	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 (Budget)</u>	<u>2027 (Projected)</u>
Personnel	498,347	526,205	579,634	746,556	594,000	608,500
Operating	267,891	273,656	278,890	320,317	390,000	391,500
Capital Outlay	216,132	194,845	189,588	196,181	441,000	525,000
Total Expenditures	982,370	994,706	1,048,112	1,263,054	1,425,000	1,525,000

Ten Burning Questions for the Budget



Ten Burning Questions for the Budget

1. General Fund Revenue More Volatile Than Ever



- Statutory Revenue Sharing and State Funding/Grants continues to be extremely volatile with a bleak near term outlook.
- Veteran's Exemptions are creating holes in the budget, with other local tax cuts being discussed at the State level.
- Other revenue sources, such as cable franchise fees, state marijuana revenue sharing, etc., are seeing year-over-year declines.
- Interest rates are continuing to fall, with more projected to come in FY 2027.
- Growing the tax base continues to be the most viable option moving forward.



Ten Burning Questions for the Budget

2. Downtown Parking Lot Funding a Hot Topic



- The projected budget for the last two parking lots is estimated at \$650,000. This would be a general fund expense. We cannot fit this into the current or future year budgets and maintain a balanced budget. If we choose to move forward with the parking lots, it would have to be pulled from fund balance.
- What does funding for future maintenance of the downtown parking lots look like? City Manager is working with DDA on options to bring to the Commission.



Ten Burning Questions for the Budget

3. Information Technology a Growing Concern



- Staff has grown increasingly frustrated with the current state of our IT service from our third-party contract.
- Management has been vetting possible alternative options, but all viable options so far would come at a significant increase compared to our current system.



Ten Burning Questions for the Budget

4. Cemetery Sustainability Reaching a Dead End



- The cost of the cemetery continues to be one of the general funds highest growing expenses.
- Staff is working on a rate analysis to bring suggested changes to the fee structure to the Commission for discussion, as well as exploring different ways to possibly lower expenses in the future.



Ten Burning Questions for the Budget

5. Personnel Costs Growing Faster than Revenue



- Personnel increases have not been keeping up with inflation for most departments, yet the increases in expenses as a percentage are growing faster than our revenues.
- Management has made changes in the past few years to try and keep costs manageable while still supporting staff.
- FY 2027 is the last year of the current union contract, meaning we will begin union negotiations this fall for contract years FY2028-2030.



Ten Burning Questions for the Budget

6. Programming Set to Sunset September 30th



- The Community Center Grant that has provided funding for programming in the parks and at the Alma Public Library expires September 30th. The current budget does not reflect continuing the program upon its expiration.
- Without funding, either from the General Fund or from additional grants/support from the County, programming in the parks will cease to exist after this fall and programming at the Library will either be reduced or additional cuts for the library will be necessary to fund programming.



Ten Burning Questions for the Budget

7. Library Faces Funding Concerns for Capital



- As discussed in past budgets, the Alma Public Library has not been funding for depreciation, and therefore their fund balance has been significantly depleted.
- With significant capital costs on the horizon, including a new A/C unit budgeted for in FY 2027, it is time to explore funding options for the library to keep it solvent.



Ten Burning Questions for the Budget

8. Transit Expansion Gaining Steam



- As more communities begin to explore the possibility of adding transit services, staff continues to look at what expansion could look like.
- Major questions to be considered would be the expansion of the current vehicle fleet, staffing, and the possibility of a need for another building expansion or substation.



Ten Burning Questions for the Budget

9. Bids for CWSRF Will Set Future of Wastewater



- We have received \$20.5 million for the CWSRF project, with the possibility of getting additional funds if other communities drop out or come in under budget.
- Engineers are now estimating that the total project cost could be much higher, and depending on what bids come back at, we will have to have some hard discussions about the project and rates.



Ten Burning Questions for the Budget

10. Motor Pool Funds Could Soon Dry Up



- Public Works has done a tremendous job stabilizing the Public Works/Motor Pool fund the past few years, but major future projects continue to be a concern.
- The fund is currently sustainable with a budget of about \$250,000 per year in capital replacements, but some future capital needs will be substantially more than that number. How will these projects be funded?



Other Concerns the Commission May Have



- Are there any items that we did not address in the preliminary budget that the Commission would like us to look at or focus on?



Thank You!

