

Alma, Michigan
May 7, 2020
Budget Review Meeting

A FY 2021 Budget Review meeting was held remotely at 5:30 p.m. via Zoom.

Present: Roger Allman, Roxann Harrington, Greg Mapes, Larry Mott, Nick Piccolo, Michelle Pitts, and Audra Stahl.

Absent: none.

All members of the City Commission having been duly notified of the meeting and the business to be transacted thereat, at least 12 hours before the time of the meeting, in accordance with Section 2.13(b) of the Charter of the City of Alma. Public Notice was also given in compliance with Act 267, of the Public Acts of Michigan, 1976.

City Manager Matt Schooley opened discussion on the proposed budget with a summary of the current status. He noted that prior to the pandemic, the projected budget total for general fund was \$4,348,500. The future is cloudy for revenue projections now. He is hoping for new projections after May 16th. The state government hasn't been overly generous with local units in the recent past. Being conservative as a City, in the past, will help now.

The Michigan Municipal League is working to provide current information, but the State Treasury is recommending budget reductions of 8 to 12%. An 8% reduction would be \$347,880 and a 12% reduction would be \$521,820. Schooley said he had spoken with department heads earlier in the day and asked each to look at an 8% reduction in their budgets.

The CARES Act is offering \$150 billion in monetary aid but has no mechanisms for the money to come to us, and eligible expenses are extremely narrow. Discussion followed about methods of distribution and additional revisions to the Act. Schooley said we have made purchases because of the pandemic but he is not sure if any of those purchases will be eligible expenses.

He told the Commission that there are many decisions to make, and he wants to be on the same page about priorities. He doesn't want to make hasty decisions that may be detrimental to the City in the long run.

Commissioner Piccolo suggested they determine what things are essential and be clear about them. Additional comments were offered about moving forward on projects that have been in the works for a long time, leading by example, but not giving a false sense of hope if things are not going well and simply being honest and straight forward.

Schooley said we need to look at alternate funding – grants, collaborations, and other creative means of adapting to a reduced budget, but we need to exercise caution about postponing capital improvement projects. Additionally, he is considering a hiring freeze, and foregoing a cost of living increase for all staff for the upcoming year. Further staff reductions are not being considered at this time, because there are still the same number of tasks that need to be completed, like summer cemetery maintenance. Reducing staff means a reduction in services, and that is not on the table at this time.

Some ideas under consideration are changing the work week to four 10 hour days, and completely closing public buildings on the fifth day, employee sharing between departments, reducing meter reads to quarterly, providing a drive up option for payments, eliminating assets, collaborations with other local units, and use of fund balance to balance the budget.

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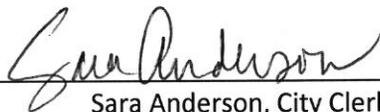
Schooley asked for a directive on use of the fund balance. Discussion followed. Finance Director, Kathy Phillips, said the main goal was to let the Commission know what avenues are being considered to balance the budget, and consider any concerns or objections any Commissioners may have, as well as give them an opportunity to voice suggestions. We can then focus on what they think is important to move forward and make a plan.

Some of the Commissioners asked to see numbers to help them make decisions. Commissioner Piccolo said a budget is built on assumptions. At this point, the plan has to be to present a budget with assumptions. He knows we can't control any of it right now.

Schooley said we will keep moving forward. He said some residents are questioning why we, as a City, can't just open things up. He believes we need to follow the rules. He described a situation that had recently come up with one of the local businesses.

Both Schooley and Phillips agreed that budget numbers would be provided to Commissioners prior to the meeting on the 26th. An additional meeting for review was scheduled for May 21, 2020 at 5:30 p.m.

The meeting concluded at 7:03 p.m.



Sara Anderson, City Clerk